RAZOR ENERGY CORP. ANNOUNCES FIRST QUARTER 2022 RESULTS AND EXECUTIVE APPOINTMENT

May 26, 2022 - Calgary, Alberta - Razor Energy Corp. ("Razor" or the "Company") (TSXV: RZE) announces its first quarter 2022 financial and operating results and the appointment of Michael Blair as Chief Operating Officer. Selected financial and operational information is outlined below and should be read in conjunction with Razor's unaudited interim condensed consolidated financial statements and management's discussion and analysis for the three months ended March 31, 2022 which are available on SEDAR at www.sedar.com and the Company's website www.razor-energy.com.

All amounts are expressed in Canadian dollars. Certain metrics, including those expressed on an adjusted basis, are non-IFRS and other financial measures. See " Non-IFRS and Other Financial Measures" below.

RECENTS HIGHLIGHTS

- **Rights Offering:** On May 11, 2022, the Company closed an oversubscribed rights offering for common shares of Razor ("Common Shares") issued on a "flow-through" basis within the meaning of the *Income Tax Act* (Canada). A total of 23,314,466 rights were exercised, resulting in the issuance of 1,960,784 Common Shares for gross proceeds of approximately $5.0 million. The Company intends to use the proceeds to fund certain eligible expenses yet to be incurred for its co-produced Geothermal Power Generation Project in Swan Hills, Alberta ("Geothermal Project"), and eligible expenses on various early stage power projects including additional geothermal initiatives.

Q1 2022 FINANCIAL AND OPERATIONAL HIGHLIGHTS

- **Production:** Averaged 4,457 boe/d in Q1 2022, representing a 48% increase from Q1 2021 and a 2% increase from Q4 2021.
- **Adjusted Funds Flow[1]:** Generated adjusted funds flow of $9.7 million ($0.41/share (basic and diluted)) in Q1 2022, representing an increase of $10.5 million from Q1 2021 and an increase of $7.3 million from Q4 2021 driven by improved operating netbacks and higher production.
- **Operating Netback[1]:** Achieved an operating netback of $26.00/boe in Q1 2022, compared to ($0.66/boe) in Q1 2021 and $8.93/boe in Q4 2021.
- **Geothermal Project:** The fully financed Geothermal Project is in the final construction phase. The Geothermal Project will be capable of generating up to 21 MW of grid connected power, of which up to 30% will be sustainable clean power generation.
- **Net Debt[1]:** Net debt was reduced by $2.1 million in Q1 2022 to $96.9 million and further reductions are expected over the balance of the year.

1) Refer to "Non-IFRS and other financial measures."

NEAR AND MEDIUM-TERM OBJECTIVES

- Safely execute our production enhancement programs and Geothermal Project.
- Reduce net debt through a measured investment in production enhancement while continuing to optimize operational and administrative costs.
- Actively identify and consider asset acquisitions and business combinations with other oil and gas producers, energy related service companies, and lower carbon electricity producers and technologies.

SELECT QUARTERLY HIGHLIGHTS

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

	Three Months Ended Mar	
($000's, except for per share amounts and production)	**2022**	**2021**
Production		
Light Oil (bbl/d)	**2,830**	1,952
Natural gas (mcf/d) [1]	**4,350**	3,741
NGL (boe/d)	**902**	434
Total (boe/d)	**4,457**	3,009
Sales volumes		
Light Oil (bbl/d)	**2,876**	1,907
Natural gas (mcf/d)[1]	**3,906**	3,463
NGL (bbl/d)	**902**	434
Total (boe/d)	**4,429**	2,918
Oil inventory volumes (bbls)	**11,058**	12,197
Revenue		
Oil and NGLs sales	**32,924**	12,367
Natural gas sales	**1,710**	1,017
Blending and processing income	**903**	1,368
Other revenue	**482**	403
Total revenue	**36,019**	15,155
Cash flows from operating activities	**2,404**	(3,518)
Funds flow [2]	**9,883**	(1,424)
Adjusted funds flow [2]	**9,661**	(863)
Net (loss)	**(776)**	(5,635)
Per share – basic and diluted	**(0.03)**	(0.27)
Weighted average number of shares outstanding (basic and	**23,314**	21,064
Netback ($/boe) [2]		
Oil and gas sales	**86.34**	49.43
Royalties	**(19.03)**	(4.66)
Adjusted net operating expenses [2 3]	**(32.99)**	(35.09)
Production enhancement expenses [2]	**(7.50)**	(7.98)
Transportation and treating	**(2.39)**	(2.36)
Realized derivative gain (loss) on settlement	**1.57**	-
Operating netback [2]	**26.00**	(0.66)

1) Natural gas production includes internally consumed natural gas primarily used in power generation.
2) Refer to "Non-IFRS and other financial measures".
3) Excludes production enhancement expenses incurred in the period.

($000's, except for share amounts)	**March 31, 2022**	**December 31, 2021**
Total assets	**225,255**	239,166
Cash	**9,000**	2,841
Long-term debt (principal)	**84,003**	73,192
Net debt [1]	**96,940**	99,020
Number of shares outstanding	**23,314,466**	23,314,466

1) Refer to "Non-IFRS and other financial measures".

FIRST QUARTER OPERATIONAL UPDATE

Production volumes for the first quarter of 2022 averaged 4,457 boe/d, representing an increase of 48% from production volumes in the first quarter of 2021 and a 2% production increase from the last quarter of 2021. Highlights of the causes for the increase in production volumes from Q1 2021 to Q1 2022 are as follows:

- **Swan Hills** – production volumes increased 79% from Q1 2021. Production in Q1 2022 was positively impacted by increased production as a result of the working interest acquisition of Swan Hills Unit No.1 in August 2021.

  The Company is continuing with its production enhancement program beginning in Q2 2022, to increase production in Swan Hills. In addition, the operator in Swan Hills Unit No.1 has embarked on various production enhancement activities and the Company anticipates these production enhancement activities will continue throughout 2022.

- **Kaybob** – production volumes increased 9% from the same period in 2021 as the Company's production enhancement program focused in the Kaybob area in March and April 2022.

- **Southern Alberta** – production volumes decreased 1% from Q1 2021 primarily due to natural production declines. The Company is conducting a small production enhancement program in Q2 2022.

Adjusted net operating expenses[1] increased $3.4 million or 32% on a total dollar basis and decreased 6% on a per boe basis in Q1 2022 compared to the same period in 2021. The increase in the adjusted net operating expense on a total dollar basis was due primarily to fuel and electricity costs which increased $1.9 million in Q1 2022 as compared to Q1 2021, surface repairs and maintenance costs which increased $0.6 million in Q1 2022 as compared to Q1 2021 and labour costs which increased $0.2 million in Q1 2022 as compared to Q1 2021. Adjusted net operating expenses on a per boe basis in Q1 2022 were $2.09/boe lower than Q1 2021 due to higher production boe/d rates in Q1 2022 compared to Q1 2021.

The primary factors affecting operating costs on a $/boe basis are production levels, workover activity and electricity pricing. Inherent within the Company's hydrocarbon operations is a prominent fixed cost element, or those costs that are not correlated to production levels. On a relative basis these costs are higher with lower production. Razor's reactivation program continued during Q1 2022 and will extend into 2022 with the majority of the costs being expensed. Furthermore, the electricity market has seen a continual rise in prices, that has recently stabilized.

1) Refer to "Non-IFRS and other financial measures."

CAPITAL EXPENDITURES

During Q1 2022, Razor invested $0.3 million in upstream oil and gas projects, $0.4 million in oilfield services equipment and $3.6 million in the Geothermal Project ($4.7 million less $1.1 million of government grants).

OUTLOOK

Razor

Razor continues to look forward and plan for the future while remaining focused on its long-term sustainability. The Company has an extensive opportunity set of high-quality wells requiring reactivation, many of which have payout metrics which exceed the Company's economic thresholds. Razor will continue the production enhancement activity throughout 2022. Most activities involve repairs and maintenance work which will be expensed for accounting purposes and operating netbacks will be reduced during this timeframe. In aggregate, the annual base decline of these wells is anticipated to be consistent with the Company's current corporate rate of approximately 12%.

The Company continues to focus on cost control on its operated properties. In addition to the planned production enhancement program, Razor will take a cautious and case-by-case approach to capital spending in 2022, focusing on low risk, capital efficient investment opportunities to increase field efficiencies and corporate netbacks.

The significant improvement in oil prices thus far in 2022 combined with a strong price outlook in the medium term, provides Razor with improved cash flow from operations and the Company anticipates reducing its net debt throughout 2022.

Razor has high reservoir quality, low decline, isolate carbonate Swan Hills reef light oil pools that contain large original oil in place with over 60 years of production history. Razor believes these reefs are ideally suited for carbon capture, utilization and storage ("CCUS") and enhanced oil recovery ("EOR") purposes[1], in addition to geothermal power production and conventional open-hole horizontal development drilling upside.

Razor recognizes multiple deep value streams in its assets and is actively engaged in liberating them for the benefit of shareholders.

FutEra

In May 2021, FutEra, a wholly owned subsidiary of Razor entered the project execution stage of its Geothermal Project. On March 9, 2022, FutEra announced that it is fully financed and in final construction of the Geothermal Project, of which up to 30% will be sustainable clean power generation. FutEra has successfully partnered with provincial and federal government agencies to invigorate the emerging geothermal industry. To date, Razor has received $14.1 million in government grants to support this power generation project. The total construction and commissioning budget for the Geothermal Project is $42.0 million.

Legacy oil and gas fields face economic challenges with lower production levels and high fixed costs. However, these fields also have practical advantages when considering the existing infrastructure, pipelines, wells and operational footprints. To meet the objectives of creating lower carbon electricity and leveraging oil and gas operations, FutEra and Razor have successfully designed a geothermal/natural gas hybrid power plant in an operational oil and gas facility. Razor and FutEra continue to demonstrate the synergies and cooperation needed to define a type of transition energy and sets the standard of how traditional oil and gas companies can evolve into 'energy and technology' companies necessary for the future of the Alberta energy complex.

FutEra's next phase of the Geothermal Project will be the design and implementation of a Carbon Capture with Usage and/or Sequestration ("CCUS") solution with the objective to create a net negative carbon emitting power generation facility.

With Razor's strategic acquisition of additional working interest in the Swan Hills area in the third quarter of 2021, FutEra has identified the potential for additional geothermal and/or natural gas power generation projects in Swan Hills Unit No.1. The volume and temperature of the produced fluids processed through two of the Unit's main facilities are highly analogous to FutEra's current Geothermal Project.

FutEra has identified and is in the process of reviewing and capturing additional projects including solar, geothermal, CCUS and other low carbon technologies.

[1] These programs have been successfully demonstrated by the previous operator's South Swan Hills Unit CO2 EOR Injection Pilot which ran from 2008 to 2010 in addition to CO2 injection programs carried out in the Swan Hills Unit No. 1 and Judy Creek oil pools from 2004 to 2010.

EXECUTIVE APPOINTMENT

Razor has appointed Michael Blair to the position of Chief Operating Officer ("COO"). Mr. Blair is a Professional Engineer with over 20 years' experience in the oil and gas upstream industry. With a particular focus on production and operations, Mr. Blair has worked within organizations such as Baker Hughes, Penn West, Legacy Oil + Gas, Ventura Resources, and Sproule. Mr. Blair has direct operational experience with Razor's Swan Hills assets.

The Company also announces that Frank Muller has retired from the COO and Senior Vice President roles due to health reasons. Mr. Muller is a founder and Director of Razor, and a steadfast partner in our success. Mr. Muller will continue in the capacity as a Director of Razor.

GRANT OF INCENTIVE STOCK OPTIONS

The Company also announces the granting of 167,000 incentive stock options ("Options") to acquire Common Shares under the Company's stock option plan. An aggregate of 117,000 Options were granted to certain officers and 50,000 Options were granted to certain employees.

All of the Options are exercisable for a period of five years at an exercise price of $3.25 per Common Share, which is a premium to the last closing price of $3.07 of the Common Shares on the TSX Venture Exchange. One-third of the Options will vest on the date that is one year after the date of the grant of such Options and the remainder will vest one-third per year thereafter.

About Razor

Razor is a publicly traded junior oil and gas development and production company headquartered in Calgary, Alberta, concentrated on acquiring, and subsequently 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 currently trades on TSX Venture Exchange under the ticker "RZE.V". **www.razor-energy.com**

About FutEra

FutEra leverages Alberta's resource industry innovation and experience to create transitional power and sustainable infrastructure solutions to commercial markets and communities, both in Canada and globally. Currently, it is developing a 21 MW co-produced geothermal and natural gas hybrid power project in Swan Hills, Alberta.

www.futerapower.com

About Blade

Blade Energy Services is a subsidiary of Razor. Operating in west central Alberta, Blade's primary services include fluid hauling, road maintenance, earth works including well site reclamation and other oilfield services.

www.blade-es.com

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READER ADVISORIES

FORWARD-LOOKING STATEMENTS:

This press release may contain certain statements that may be deemed to be forward-looking statements. Such statements relate to possible future events, including, but not limited to, the Company's objectives and anticipated results, including the Company's capital program and other activities; the Geothermal Project and its capacity, construction and commissioning budget; opportunities for power generation, oil blending and services integration; restarting wells; execution of production enhancement programs; future rates of production; expectations regarding commodity prices, cash flow from operating activities, working capital and net debt; possible business combination transactions; and future projects including solar, wind and other low carbon technologies. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "estimate", "potential", "will", "should", "continue", "may", "objective" and similar expressions. The forward-looking statements are based on certain key expectations and assumptions made by the Company, including but not limited to expectations and assumptions concerning the availability of capital, current legislation, receipt of required regulatory approvals, the timely performance by third-parties of contractual obligation, the success of future geothermal, drilling and development activities, the performance of existing wells, the performance of new wells, the Company's growth strategy, general economic conditions, availability of required equipment and services prevailing commodity prices, price volatility, price differentials and the actual prices received for the Company's products. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry and geothermal electricity projects in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; variability in geothermal resources; as the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), electricity and commodity price and exchange rate fluctuations, changes in legislation affecting the oil and gas and geothermal industries and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. In addition, the Company cautions that COVID-19 or other global pandemics may have a material adverse effect on global economic activity and worldwide demand for certain commodities, including crude oil, natural gas and NGL, and may continue to result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could continue to affect commodity prices, interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to the Company. The duration of the current commodity price volatility is uncertain. Please also refer to the risk factors identified in the most recent annual information form and management discussion and analysis of the Company which are available on SEDAR at www.sedar.com. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Razor's prospective results of operations, sales volumes, including sale of inventory volumes, production and production efficiency, balance sheet, capital spending, cost and net debt reductions, operating efficiencies, investment infrastructure and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as a set forth in the above paragraph. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about Razor's future business operations. Razor disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein.

NON-IFRS AND OTHER FINANCIAL MEASURES:

This press release contains certain specified measure consisting of non-IFRS measures and non-IFRS financial ratios. Since these specified financial measures may not have a standardized meaning, they must be clearly defined and, where required, reconciled with their nearest IFRS measure. Accordingly, they may not be comparable to similar measures used by other companies

FUNDS FLOW AND ADJUSTED FUNDS FLOW

Funds Flow

Management utilizes funds flow as a useful measure of Razor's ability to generate cash not subject to short-term movements in non-cash operating working capital. As shown below, funds flow is calculated as cash flow from operating activities excluding change in non-cash working capital.

Adjusted funds flow

Management utilizes adjusted funds flow as a key measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, and capital expenditures. As shown below, adjusted funds flow is calculated as funds flow excluding purchasing of commodity contracts, and decommissioning expenditures since Razor believes the timing of collection, payment or incurrence of these items involves a high degree of discretion and variability. Expenditures on decommissioning obligations vary from period to period depending on the maturity of the Company's operating areas and availability of adjusted funds flow and are viewed as part of the Company's capital budgeting process.

The following table reconciles cash flow from operating activities, funds flow and adjusted funds flow:

	Three Months Ended March 31,	
($000's)	**2022**	**2021**
Cash flow from (used in) operating activities	**2,404**	(3,518)
Changes in non-cash working capital	**7,479**	2,094
Funds flow	**9,883**	(1,424)
Decommissioning costs incurred	**318**	53
Purchase (sale) of commodity contracts	**(540)**	508
Adjusted funds flow	**9,661**	(863)

NET DEBT

Net debt is calculated as the sum of the long-term debt (includes AIMCo Term Loan, Amended Arena Term Loan and Promissory Notes) 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.

Reconciliation of net debt	**March 31,**	**December 31,**
($000's)	**2022**	**2021**
Long term debt	**(75,516)**	(64,047)
Long term lease obligation	**(680)**	(435)
	(76,196)	(64,482)
Less: Working capital		
Current assets	**34,031**	22,108
Exclude commodity contracts	**2,826**	573
Current liabilities	**(57,601)**	(57,219)
	(20,744)	(34,538)
Net debt	**96,940**	99,020

Adjusted operating expenses

Adjusted operating expenses are regular field or general operating costs that occur throughout the year and do not include production enhancement expenses. Management believes that removing the expenses related to production enhancements from total operating expenses is a useful supplemental measure to analyze regular operating expenses.

Production enhancement expenses

Production enhancement expenses are expenses made by the Company to increase production volumes which are not regular field or general operating costs that occur throughout a year. Management believes that separating the expenses related to production enhancements is a useful supplemental measure to analyze the cost of bringing wells back on production and the related increases in production volumes.

Reconciliation of Adjusted Operating expenses, Production Enhancement Expenses and Operating Expenses

	Three Months Ended March 31,	
($000's)	**2022**	**2021**
Adjusted operating expenses	**13,812**	10,428
Production enhancement expenses	**3,010**	2,160
Operating Costs	**16,822**	12,588

Adjusted Net Operating Expenses

Adjusted net operating expenses equals adjusted operating expenses less net blending and processing income. Management considers adjusted net operating expenses and important measure to evaluate its operational performance.

	Three Months Ended March 31,	
($000's)	**2022**	**2021**
Adjusted net operating expenses	**13,812**	10,428
Net blending and processing income	**(579)**	(927)
Adjusted net operating expenses	**13,233**	9,501

NET BLENDING AND PROCESSING INCOME

Net blending and processing income is calculated by adding blending and processing income and deducting blending and processing expense. Net blending and processing income may not be comparable to similar measures used by other companies.

	Three Months Ended March 31,	
($000's)	**2022**	**2021**
Blending and processing income	**903**	1,368
Blending and processing expenses	**(324)**	(441)
Net blending and processing income	**579**	927

OPERATING NETBACK

Operating netback is a measure that represents sales net of royalties and operating expenses. Management believes that operating netback is a useful supplemental measure to analyze operating performance and provide an indication of the results generated by the Company's principal business activities prior to the consideration of other income and expenses.

	Three Months Ended March 31,	
($000's)	**2022**	**2021**
Petroleum and natural gas sales[1]	**34,634**	13,384
Royalties	**(7,632)**	(1,261)
Adjusted net operating expenses	**(13,233)**	(9,501)
Production enhancement expenses	**(3,010)**	(2,160)
Transportation and treating expenses	**(957)**	(638)
Realized derivative gain (loss) on settlement	**628**	-
Operating netback	**10,430**	927

NON-IFRS AND FINANCIAL RATIOS:

Operating expenses per BOE

Operating expenses per boe is consists of adjusted operating expenses per boe and production enhancement expenses per boe. Operating expense per boe is a useful supplemental measure to calculate the efficiency of its operating expenses on a per unit of production basis.

	Three Months Ended March 31,	
($/boe)[1]	**2022**	**2021**
Adjusted operating expenses	**34.43**	38.51
Production enhancement expenses	**7.50**	7.98
Operating Expenses	**41.93**	46.49

1) $/boe amounts are calculated using production volumes.

	Three Months Ended March 31,	
($/boe)[1]	**2022**	**2021**
Adjusted operating expenses	**34.43**	38.51
Net blending and processing income	**(1.44)**	(3.42)
Adjusted net operating expenses	**32.99**	35.09

1) $/boe amounts are calculated using production volumes.

Operating Netback per Boe

Operating netback per boe is used to calculate the results of Razor's operating efficiency of its petroleum and natural gas assets on a per unit of production basis. Net operating expense per boe is a useful supplemental measure to analyze operating performance and provide an indication of the results generated by the Company's principal business activities prior to the consideration of other income and expenses.

	Three Months Ended March 31,	
($/boe)	**2022**	**2021**
Oil and gas sales[1]	**86.34**	49.43
Royalties	**(19.03)**	(4.66)
Adjusted operating expenses	**(32.99)**	(35.09)
Production enhancement expenses	**(7.50)**	(7.98)
Transportation and treating	**(2.39)**	(2.36)
Realized derivative gain (loss) on settlement	**1.57**	-
Operating netback per Boe	**26.00**	(0.66)

1) Natural gas production includes internally consumed natural gas primarily used in power generation.

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.