DOXA PROVIDES TRANSACTION UPDATE AND FINANCING TERMS

August 19, 2020

TSX Venture Exchange
Trading Symbol: DXA.V
www.doxaenergy.com

Doxa Energy Ltd ("**Doxa**" or the "**Company**") announces that further to its press releases dated November 7, 2018, May 23, 2019, April 21, 2020 and June 1, 2020, the Company and ProStar Geocorp Inc. ("**ProStar**") have entered into a further amendment to the definitive merger agreement dated May 22, 2019 (the "**Merger Agreement**") which has extended the date for the completion of the proposed transaction with ProStar (the "**Transaction**") to December 31, 2020 as well as the timing of payments to be made by ProStar as furtherance of the Company's costs associated with the Transaction as well as annual maintenance costs.

As previously announced, the Transaction is intended to result in a reverse takeover of Doxa by ProStar in accordance with the policies of the TSX Venture Exchange (the "**TSXV**"). Upon completion of the Transaction, it is anticipated that the combined venture (the "**Resulting Issuer**") will continue to carry on the business of ProStar and will be listed on the TSXV as a Tier 2 Technology Issuer. Details of the Transaction remain unchanged from those announced in the Company's May 23, 2019 press release.

In connection with the Transaction, Doxa intends to complete a non-brokered private placement (the "**Private Placement**") of up to **10,000,000** subscription receipts (the "**Subscription Receipts**") to raise gross proceeds of up to **$4,000,000**. Each Subscription Receipt will be sold at a price of $0.40 and will automatically convert immediately prior to the closing of the Transaction into one post-consolidation Doxa unit (a "**Unit**"). Each Doxa Unit will consist of one Doxa common share (a "**Share**") and one-half of one transferable common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder to purchase, for a period of 24 months, one additional Share at an exercise price of $0.60. It is a condition of the extension that the Private Placement close prior to September 30, 2020 at which time the proceeds from the Private Placement will be deposited into escrow with the Company pending the closing of the Transaction.

The Company will also provide a subsequent press release once it has determined the date of its annual general meeting as well as any additional meeting that may be required to obtain the required shareholder approval for the Transaction (see news release dated April 21, 2020). There can be no assurances that the Transaction will complete on the terms set forth in the Merger Agreement or at all.

Trading Halt

The Doxa Shares continue to be halted from trading, and the trading of Doxa Shares is expected to remain halted pending completion of the Transaction.

Forward-Looking Statements

This news release contains certain "forward looking statements" including, for example, statements relating to the transaction between Doxa and ProStar, the proposed financing and the timing for completion of the Transaction. Such forward-looking statements involve risks and uncertainties, both known and unknown. The results or events depicted in these forward-looking statements may differ materially from actual results or events. In addition to other factors and assumptions, which may be identified herein, assumptions have been made regarding and are implicit in, among other things: receipt of regulatory approvals, the state of the capital markets, including the impact of the COVID-19 pandemic, tax issues associated with doing business internationally, the ability of ProStar to successfully manage the risks inherent in pursuing business opportunities in the technology industry, and the ability of ProStar to obtain and maintain qualified staff, equipment and services in a timely and cost efficient manner to develop its business. Any forward looking statement reflects information available to Doxa as of the date of this news release and, except as may be required by applicable securities laws, Doxa disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise.

On behalf of the board of directors of the Company:

John D. Harvison
President and Chief Executive Officer

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Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and if applicable pursuant to TSX-V requirements, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The TSX-V has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this news release.

Neither the TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.