



RAZOR ENERGY CORP. ANNOUNCES STRATEGIC LIGHT OIL CONSOLIDATION ACQUISITION IN SWAN HILLS, ALBERTA ENHANCING OIL & GAS, GEOTHERMAL POWER, CARBON CAPTURE, AND HYDROGEN PRODUCTION OPPORTUNITIES

Calgary, Alberta – August 4, 2021 - Razor Energy Corp. (“Razor” or the “Company”) (TSXV: RZE) is pleased to announce that it has entered into a definitive agreement to acquire certain non-operated working interest assets in its Swan Hills, Alberta core region (the “Assets”) for a total purchase price of \$5 million cash, subject to certain closing adjustments (the “Acquisition”). The Assets consist of Swan Hills Unit No. 1 (the “Unit”), Judy Creek Gas Plant (the “Plant”) and South Swan Hills Unit Gas Gathering System (the “Gathering System”) at 32.5%, 8.6% and 22.8% working interest, respectively. Closing is anticipated to occur in due course within August 2021.

The Acquisition will be funded by Arena Investors, LP (“Arena”) by way of an amended term loan agreement in the TOTAL principal amount of US\$18,158,182 (the “Amended Term Loan”). Arena Investors is an institutional asset manager with US\$2.2 billion of committed assets under management that specializes in providing innovative capital solutions for middle market companies.

The Amended Term Loan will be amortized and repaid over a total of 37 months, where payments began in April 2021 and will conclude in April 2024. The increase in principal will fund the purchase of the Assets, associated joint account liability, and interim purchase price adjustments. These price adjustments are capital expenditures and expenses from the effective date until the anticipated closing date. In that time there has been significant expenditures and expenses including well reactivations, pipeline repairs, and infrastructure projects. The funded principal amount, after the original issuer discount, is US\$8.035 million, less related fees and expenses. Other terms of the Amended Term Loan are materially unchanged from the initial term loan as further described in the Company’s press release dated February 18, 2021. This includes a fixed annual interest rate of 7.875%, with security provided by a first lien on all assets within Razor Royalties Limited Partnership and Razor Holdings GP Corp.

ACQUISITION HIGHLIGHTS

Acquisition Metrics

• Proved Developed Producing Reserves (“PDP”) ¹	2.7 MMboe
• Production	950 boepd (95% light oil & ngl’s)
• Estimated annual base decline rate	10 percent
• Asset Retirement Obligation (“ARO”) (undiscounted) ²	\$22.9 million (\$2.2 million discounted)
• Estimated annual ARO spend	\$0.3 million

Notes:

¹ The reserves information is based on an evaluation by Sproule Associates Ltd. (“Sproule”) of the reserves associated with the Swan Hills Unit No. 1 asset in its report dated December 31, 2020, which was prepared in accordance with the COGE Handbook and NI 51-101 and mechanically updated to July 1, 2021.

² Asset Retirement Obligation calculated in accordance with the policies and directives of the Alberta Energy Regulator.

STRATEGIC RATIONALE

Razor and the Oil & Gas Operations

Razor has intimate knowledge of the Assets through its existing working interest positions and is excited with the opportunity to consolidate assets in our core region. On closing this Acquisition, Razor will enjoy a 49.7 percent non-operated working interest in the Unit while the Operator, Canadian Natural Resources Ltd., maintains its 41.9 percent working interest. The Company will also benefit from increasing its working interest in critical area infrastructure, including the Plant and Gathering System to 38.1 and 43.9 percent, respectively.

The Acquisition enables the Company to cost-effectively add long-life, industry-leading ten percent annual base decline, low-risk, light oil reserves (41° API), production and cash flow underpinned by an improving commodity price environment as crude oil supply/demand returns to balance in the post-COVID era.

FutEra and the Renewable Power Operations

Strategically, Futera Power Corp. (“FutEra”), a subsidiary of Razor, has identified the potential for additional geothermal and/or natural gas power generation projects in the Unit. The volume and temperature of the produced fluids processed through two of the Unit’s main facilities are highly analogous to FutEra’s current South Swan Hills Unit Co-Produced Geothermal Power Generation Plant (the “Geothermal Project”). Construction has begun on this first-of-its-kind Geothermal Project, and the learnings, and cash flow outcomes, can be directly applied to the Unit.

As well, Razor is excited about increasing its working interest in the Plant as we envision the potential to advance Alberta’s hydrogen initiative and the opportunity to implement Carbon Capture, Utilization and Storage (“CCUS”) in the greater Swan Hills area. Design and planning have begun on both small-scale hydrogen production and a CCUS facility.

ONGOING INNOVATION

Razor continues to identify opportunities to liberate alternative sources of energy while measurably improving the environmental and social impacts of our business.

- FutEra has commenced project execution on its Geothermal Project in Swan Hills. Stage Gate 1 is fully funded and FutEra is securing additional financing to complete Stage Gate 2. Construction of the power plant has commenced with estimated completion within the first quarter of 2022. Provincially, Alberta Innovates and Emissions Reduction Alberta, and federally, Natural Resources Canada have provided funding grants, of which Razor has received \$8.6 million to date.
- FutEra has identified, and is in process of reviewing and capturing, additional projects including solar, wind and well-head geothermal. FutEra recently commissioned its wholly owned 10 petahash bitcoin mining operation which includes supplying self-generated power and the mining installation.
- Razor has commenced construction to repurpose certain facilities in Virginia Hills to become a Waste Management Component employing bioremediation to treat hydrocarbon-impacted soils. This soil treatment facility will be integral to Razor’s Virginia Hills Area Based Closure operations and is anticipated to be operational in the third quarter of 2021. FutEra is developing a pure green power supply solution for the waste management facility.

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 FutEra is developing a 21 MW co-produced geothermal and natural gas hybrid power project in Swan Hills, Alberta.

www.futerapower.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 completion of the Acquisition, the closing of the Amended Term Loan, the Company's capital program and other activities such as future financings relating to the development of geothermal and other environmentally and socially innovative projects. 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 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 may continue to 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 refer to the risk factors identified in the 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.

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.

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