

Razor Energy Corp. Announces 2019 Corporate Budget and Guidance

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CALGARY, Jan. 22, 2019 - [Razor Energy Corp.](#) ("Razor" or the "Company") (TSXV: RZE) (www.razor-energy.com) is pleased to announce that its Board of Directors (the "Board") has approved a capital budget of \$13.5 million for fiscal 2019 that allows Razor to maintain production levels while continuing to pay a sustainable dividend.

2019 budget

Capital expenditures of \$13.5 million are expected to be allocated as follows:

Reactivations, recompletions and optimizations	\$4.6 million
Facilities and pipelines	\$5.2 million
Other (oilfield IT and other)	\$1.5 million
End of life expenditures	\$2.2 million

Reactivations, recompletions and optimizations include activities in both the Swan Hills and Kaybob areas. Also included are certain production management activities of existing waterfloods which will complement current production levels while enhancing long term recoveries of oil in place.

Facilities and pipelines consist primarily of projects intended to enhance the realized price for our production. Razor plans to develop a blending facility in Kaybob as well as a condensate stabilization facility in Swan Hills.

The Company continues to address operating costs through heightened field efficiencies and capital investment. In 2019, Razor will complete the oilfield information system upgrade program, which has already provided immediate enhancements impacting operational awareness, preventative maintenance, personnel safety, and environmental protection through actionable and predictive analytics.

End of life expenditures will address both the Alberta Energy Regulator's requirements under the Inactive Well Compliance Program and other discretionary spending within the asset portfolio.

2019 GUIDANCE

Recent volatility in both West Texas Intermediate ("WTI") and Canadian crude oil differentials has resulted in a lower capital spending budget and production profile for 2019. The capital budget will be reviewed continuously by management and the Board and adjusted in response to changes in light oil price assumptions, project economics, and other market opportunities. Razor remains steadfast in its conviction to maintain its financial advantage and build a top-tier junior oil and gas company.

The Company's 2019 financial and operating guidance and assumptions are as follows:

Average daily production January 2019	4,300 boe/d
Average daily production 2019	4,900 boe/d
Capital expenditures	\$13.5 million
Net debt ⁽¹⁾ , December 31, 2019 ("Exit Net Debt")	\$51.1 million
Assumptions:	

WTI (US\$/bbl)	\$55.00
Exchange rate (US\$/C\$)	0.75
Light sweet oil differential to WTI (C\$/bbl)	(\$11.45)
AECO gas (C\$/GJ)	\$1.90

1. *“Net debt” does not have any standardized meaning prescribed by International Financial Reporting Standards (“IFRS”). See “Reader Advisories – Non-IFRS Measures”.*

Razor intends to continue to pursue value-driven acquisitions. Specifically, Razor will pursue consolidation of land and production within the Company’s existing project areas, in addition to complementary shallow horizons within its Alberta core region. Razor remains focused on adding to its inventory of high-quality projects to sustain longer-term growth.

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, producing oil and gas 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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READER ADVISORIES

FORWARD-LOOKING STATEMENTS: *This press release contains forward-looking statements. More particularly, this press release contains statements concerning, but not limited to: the capital program of the Company, including, the reactivation program, facilities and pipelines expenditures, other capital expenditures, and end of life expenditures including abandonment, reclamation and remediation expenditures; the approach to the 2019 capital budget including reviewing the capital budget continuously; 2019 guidance including: average daily production, net debt as at December 31, 2019; the ability of the Company to pay a sustainable dividend; the development of a blending facility in Kaybob and a condensate stabilization facility in Swan Hills; and the Company’s acquisition strategy. In addition, the use of any of the words “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “propose”, “project”, “can”, “will”, “should”, “continue”, “may”, and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained herein 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 approval, 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 and prevailing commodity prices. 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 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; as the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations, changes in legislation affecting the oil and gas industry and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Please refer to the risk factors identified in the annual information form and management discussion and analysis of the Company which is 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.

NON-IFRS MEASURES: This press release contains the term "net debt", which does not have standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures by other companies. Net debt is calculated as long-term debt less working capital (or plus working capital deficiency), with working capital excluding mark-to-market risk management contracts. Management believes net debt is a useful supplemental measure of the total amount of current and long-term debt of the Company.

ADVISORY ON PRODUCTION INFORMATION: Unless otherwise indicated herein, all production information presented herein has been 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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