

Razor Energy Corp. Announces Multi-Year Amendment of Its Existing Non-revolving Term Loan Facility

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And Announces Enhanced Liquidity From New Term Loan and Royalty Transaction

CALGARY, Feb. 18, 2021 - [Razor Energy Corp.](#) ("Razor" or the "Company") (TSXV: RZE) is pleased to announce that it has secured an extension to its existing non-revolving term loan facility from Alberta Investment Management Corporation ("AIMCo"), on behalf of certain of AIMCo's clients, for an amended principal amount of \$50.1 million (the "Second Amended and Restated Loan Agreement" or the "Term Loan Facility"). The terms of the Term Loan Facility are materially unchanged from the previous Amended Term Loan Facility established in January 2017. Principal is due January 31, 2024 with an interest rate of 10%, payable semi-annually.

As consideration for the Term Loan Facility, FutEra Power Corp. ("FutEra"), currently a wholly owned subsidiary of Razor, will, on closing of the Term Loan Facility, grant AIMCo common shares of FutEra representing 22.4% of the total outstanding common shares. In the event that the Swan Hills Geothermal Project has not been funded by July 31, 2021, the shares issued as part of this transaction shall be returned to Razor and a bonus payment of \$3.5 million will be added to the principal amount of the Term Loan Facility.

The Company is grateful for its partnership with AIMCo and appreciates the continued support from AIMCo as both a major shareholder and senior lender.

TERM LOAN

Concurrent with the AIMCo extension, a subsidiary of Razor entered into a new term loan agreement with an affiliate of Arena Investors, LP in the principal amount of US\$11,042,617 (the "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.

Greg White, Arena's Head of Energy Investments remarked "We are delighted to be able to meet Razor's liquidity needs as this facility fits well within our focus of providing flexible debt solutions to the independent oil and gas producer space. It's a pleasure to be a new capital provider to a company of as high a caliber as Razor, and we look forward to continuing to grow with the Company. Arena is optimistic about the recovery of the Canadian energy market and we believe it is underserved by capital providers."

The Term Loan will be repaid over 29 months commencing April 1, 2021. Principal and interest payments are to be paid monthly. The funded principal amount, after the original issuer discount, is US\$10,035,000. The Term Loan carries a fixed annual interest rate of 7.875%. Security consists of a first lien on all assets within Razor Royalties Limited Partnership and Razor Holdings GP Corp. as further described below. The Term Loan is also secured by a second lien on the assets of Razor, excluding Razor's subsidiaries Blade Energy Services Corp. ("Blade"), FutEra and its subsidiaries, and Razor Resources Corp.

The intended use of proceeds is:

	USD¹
Well reactivations and associated spending	\$8,582,000
Hedging	\$70,000
Transaction fees and upfront payments	\$12,000
Total	\$10,000,000

¹ Converted at \$US 1.00 = \$CAD 0.79

The well reactivation activity will start immediately and extend into 2022. Razor has an extensive opportunity set of high-quality wells requiring reactivation. In aggregate, the annual base decline of these wells is anticipated to be consistent with the Company's current corporate decline of approximately 12 percent. In its history the Company has reactivated over 60 wells adding approximately 2,000 boepd and it expects that the upcoming program will result in similar favorable outcomes.

Athena Capital Markets Ltd. provided advisory services in relation to the Term Loan.

RELATED ROYALTY SALE

In conjunction with closing of the Term Loan, the Company has sold a 9% royalty on all corporate production (the "Gross Overriding Royalty" or "GORR") to a newly established limited partnership named Razor Royalties Limited Partnership ("RRLP"). There will be two partners within the partnership. The general partner will be Razor Holdings GP Corp., a newly formed, wholly owned subsidiary of the Company and the limited partner will be the Company.

Once the Term Loan is repaid by RRLP, the security associated with the Term Loan will terminate. It is intended that the GORR and associated burdens will continue to exist in perpetuity within RRLP to the benefit of its partners.

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 currently trades on TSXV under the ticker "RZE".
www.razor-energy.com

In addition to the subsidiary and partnership discussed herein, Razor has two other active subsidiaries, FutEra and Blade.

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 megawatt co-produced geothermal and natural gas hybrid power project in Swan Hills, Alberta.
www.futerapower.com

About Blade

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

About Arena Investors

Arena Investors is an institutional asset manager founded in partnership with The Westaim Corporation (TSXV: WED). With \$2.2 billion of committed assets under management as of January 1, 2021, and a team of over 60 employees in offices globally, Arena provides creative solutions for those seeking capital in special situations. The firm brings individuals with decades of experience, a track record of comfort with complexity, the ability to deliver within time constraints, and the flexibility to engage in transactions that

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