Razor Energy Corp. Announces Closing of Recapitalization Transaction Including Debt Settlement and Rights Offering

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CALGARY, June 19, 2023 - Razor Energy Corp. ("Razor") (TSXV: RZE) in conjunction with FutEra Power Corp. ("FutEra"), is pleased to announce that it has completed the transactions contemplated by its previously announced debt settlement agreement with Alberta Investment Management Corporation, ("AIMCo"), on behalf of certain of its clients (the "Debt Settlement Agreement"), pursuant to which all obligations owing by Razor to AIMCo under the senior second amended and restated loan agreement dated February 16, 2021 have been settled through the transfer to AIMCo of equity interests held by Razor in its previously wholly-owned, non-listed subsidiary, FutEra.

For complete details, refer to the press releases of Razor dated May 1, 2023 and May 8, 2023 and Razor's rights offering circular dated May 8, 2023, which are available on SEDAR.com.

The key components of the Debt Settlement Agreement are as follows:

- Razor has disposed of 70% of its common shares of FutEra and 100% of a class of newly created voting, convertible preferred shares in FutEra to settle $63.9 million of secured debt with AIMCo (the "FutEra Share Transfer");
- Razor has retained 30% of its common shares of FutEra (subject to dilution upon preferred share conversion); and
- FutEra will be responsible for repayment of US$7.9 million of Razor's current senior secured debt owed to Arena Investors, LP under Razor's Second Amended and Restated Term Loan Agreement dated as of the date hereof.

As a condition to the completion of the transactions contemplated by the Debt Settlement Agreement, Razor has completed its previously announced rights offering (the "Rights Offering") to eligible holders of Razor common shares ("Common Shares") of record at the close of business on May 16, 2023 for aggregate gross proceeds of $4,011,856.80. In addition, pursuant to a standby purchase agreement dated May 1, 2023 between AIMCo and Razor (the "Standby Purchase Agreement"), AIMCo acquired 5,000,000 Common Shares and 5,000,000 Warrants (as defined below) for aggregate gross proceeds of $4,000,000 (the "Standby Commitment").

The Rights Offering expired on June 7, 2023 with the rights ("Rights") trading on the TSX Venture Exchange ("TSXV") under the symbol "RZE.RT" being de-listed on that date. Each 2.022 Rights were exercisable for one unit ("Unit") of Razor at the price of $0.80 per Unit (the "Subscription Price"), each Unit being comprised of one Common Share and one Common Share purchase warrant ("Warrant"). Each Warrant entitles its holder to purchase, subject to adjustment in certain circumstances, one Common Share at a price of $1.20 per Common Share for a period of five years from the date of issuance. The Warrants are expected to begin trading on the TSXV under the symbol "RZE.WT" effective June 20, 2023.

The Rights Offering received support from Razor's shareholders with the exercise of 9,660,176 Rights available under the basic subscription privilege, resulting in the issuance of 4,777,527 Common Shares and 4,777,527 Warrants, and the exercise of 479,809 Rights available under the additional subscription privilege, resulting in the issuance of 237,294 Common Shares and 237,294 Warrants, for a combined total of exercise of 10,139,985 of Rights available under the Rights Offering and resulting in the issuance of 5,014,821 Common Shares and 5,014,821 Warrants.

Insiders of Razor, including AIMCo, exercised an aggregate of 4,879,585 Rights resulting in the issuance of 2,413,246 Common Shares and 2,413,246 Warrants to such insiders. In addition, AIMCo acquired 5,000,000 Common Shares and 5,000,000 Warrants pursuant to the Standby Purchase Agreement.

Following closing, AIMCo directly or indirectly holds 11,893,975 Common Shares, representing approximately 34% of Razor's issued and outstanding Common Shares. Shareholder approval was not required in respect of AIMCo becoming a control person of Razor, given that the Rights were listed for trading on the TSXV and the Subscription Price was at a "significant discount" to the closing price of the Common Shares on the TSXV on May 5, 2023 of $1.00, being the last trading day prior to the announcement of the Rights Offering.

Following the closing of the Rights Offering, Razor has 35,290,071 Common Shares issued and outstanding.

The gross proceeds of the Rights Offering will be used to re-accelerate production development and for general corporate purposes. Razor anticipates investing approximately $5 million to increase corporate production by 800 boe/d.

MI 61-101 Matters

AIMCo is a "related party" of Razor pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Following the closing of the transactions described herein, AIMCo owns or controls (directly or indirectly) 11,893,975 Common Shares, representing approximately 34% of Razor's issued and outstanding Common Shares and is a significant shareholder of Razor.

With respect to the FutEra Share Transfer and the Standby Commitment, such transactions are "related party transactions" for the purposes of MI 61-101, however, the FutEra Share Transfer is exempt from the formal valuation requirements of MI 61-101 as Razor is not listed on a specified market that would require compliance with such formal valuation requirements (as set forth in Section 5.5(b) of MI 61-101) and is further exempt from the minority shareholder approval requirements of MI 61-101 by virtue of Section 5.7(e) of MI 61-101 which provides that a related party transaction is exempt from the minority shareholder approval requirements if the issuer is in serious financial difficulty, the transaction is designed to improve the financial position of the company (among other criteria) and there is no other requirement to hold a meeting of shareholders to approve the transaction.

As part of their deliberations in respect of the transactions contemplated by the Debt Settlement Agreement and Standby Purchase Agreement (the "Recapitalization Transaction"), a special committee formed by Razor (each of whom are "independent directors" in respect of the Recapitalization Transaction for the purposes of MI 61-101) (the "Special Committee") considered the financial position of Razor and the objectives of the Recapitalization Transaction, and the criteria and conditions with respect to the financial hardship exemptions described above, including the fact that there is no requirement, corporate or otherwise, to hold a meeting to obtain any approval of the holders of Common Shares for the Recapitalization Transaction, and in this regard unanimously determined that: (i) Razor is in serious financial difficulty; (ii) the Recapitalization Transaction (including the FutEra Share Transfer) is designed to improve the financial position of Razor; and (iii) the terms of the Recapitalization Transaction (including the FutEra Share Transfer) are reasonable in the circumstances of Razor.

A discussion and description of the review and approval process adopted by the Special Committee and other information required by MI 61-101 in connection with the Recapitalization Transaction, including further details and the facts supporting reliance on the financial hardship exemptions described above, are set forth in Razor's material change report filed on May 11, 2023 under Razor's SEDAR profile at www.sedar.com.

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. Razor 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

Razor has two active subsidiaries, FutEra and Blade Energy Services Corp. ("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, FutEra operates a first of its kind 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

About AIMCo

AIMCo is among Canada's largest and most diversified institutional investment managers with $158 billion of assets under management. AIMCo invests globally on behalf of 17 pension, endowment and government fund clients in the Province of Alberta. AIMCo manages more than 30 pools of capital on behalf of these clients. With offices in Edmonton, Calgary, Toronto, London and Luxembourg, our more than 200 investment professionals bring deep expertise in a range of sectors, geographies and industries.

www.aimco.ca

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FORWARD-LOOKING STATEMENTS: This press release contains forward-looking statements. More particularly, this press release contains statements concerning, but not limited to, the anticipated use of the net proceeds of the Rights Offering and the date the Warrants will begin trading on the TSXV. Razor provided such forward-looking information in reliance on certain expectations and assumptions that it believes are reasonable at the time, including expectations and assumptions concerning prevailing

commodity prices, Razor's liquidity and cash flows. In addition, the use of any of the words "anticipate", "believe", "intend", "may", "is", "will", "should", "expect" and similar expressions are intended to identify forward-looking statements.

The forward-looking statements are based on certain key expectations and assumptions made by Razor, including but not limited to expectations and assumptions concerning the prevailing commodity prices, weather, regulatory approvals, liquidity of the Razor Common Shares, activities by third party operators, exchange rates, interest rates, applicable royalty rates and tax laws, future production rates and estimates of operating costs, performance of existing and future wells, plant turnaround times and continued rail service to transport products, reserve volumes, business prospects and opportunities, the future trading price of the Razor Common Shares, the availability and cost of financing, labor and services, the impact of increasing competition, ability to market geothermal electricity, oil and natural gas successfully and Razor's ability to access capital.

Although Razor 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 Razor 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 several 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; 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.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Please refer to the risk factors identified in the annual information form and management discussion and analysis of Razor 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 Razor 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.

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