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**Vector Resources Inc. And Razor Energy Corp.
Execute Arrangement Agreement In Respect Of Business Combination And Announce
Strategic Acquisition**

Calgary, Alberta – December 29, 2016 – Vector Resources Inc. (“**Vector**”) (VCR.H: TSXV/NEX) and Razor Energy Corp. (“**Razor**”) are pleased to announce that they have entered into an arrangement agreement dated December 29, 2016 pursuant to which Vector and Razor will complete a business combination (the “**Proposed Transaction**”). Pursuant to the Proposed Transaction, each common share of Razor (“**Razor Share**”) will be exchanged for 2,042.13 common shares of Vector (“**Vector Shares**”). The Proposed Transaction is intended to be the “Qualifying Transaction” of Vector pursuant to the policies of the TSX Venture Exchange (the “**Exchange**”) and is subject to the acceptance of the Exchange. Vector is at arms’ length to Razor.

About Vector

Vector is a capital pool company created to identify potential acquisitions of commercially viable businesses and assets that have the potential to generate profits and add shareholder value.

About Razor

General

Razor, a company incorporated under the laws of Alberta, is a private junior oil and gas exploration, development and production company formed for the purpose of acquiring, and subsequently enhancing, producing oil and gas properties primarily in Alberta. Razor currently has no production and has not conducted active operations since its incorporation.

The current directors and officers of Razor are: Doug Bailey (President, CEO and Director), Frank Muller (Senior Vice President, COO and Director), David Derkat (Vice President, Engineering), Steven Sych (Vice President, Production), Sony Gill (Director), Vick Saxon (Director) and Sonny Mottahed (Director).

Assets

Razor has entered into a purchase and sale agreement dated as of November 25, 2016 (the “**PSA**”) with an arm’s length public company to acquire certain oil and gas interests in the Swan Hills area of Alberta (the “**Assets**”) for aggregate cash consideration of \$15 million (the “**Acquisition**”). The Assets consist of producing oil and gas assets in the Swan Hills area of Alberta and approximately 15,000 net acres of associated undeveloped land. The Acquisition is expected to close concurrently with the closing of the Proposed Transaction.

The Assets have the following characteristics:

Production	2,300 boe/d
Commodity mix	86% oil and natural gas liquids
Net undeveloped land	15,088 acres

The development of the Assets will continue to be focused on oil production from the Beaverhill Lake formation. Reactivations and optimization of existing primary and secondary recovery schemes are expected to be the emphasis of near term capital activity.

Information with respect to Razor's work program and the Assets will be included in the management information circular or filing statement filed on SEDAR in connection with the Proposed Transaction.

Summary of the Acquisition

Total purchase price ⁽¹⁾	\$15 million
Estimated production (at closing)	2,300 boe/d
Forecasted annual decline rate on base production	12%
Land	15,088 net acres

Reserves:

Proved developed producing ("PDP") reserves ⁽²⁾	5.6 MMboe
Proved reserves ⁽²⁾	8.3 MMboe
Proved plus probable ("P+P") reserves ⁽²⁾	10.6 MMboe
P+P RLI ⁽³⁾	12.9 years

Reserves Value Before Tax / After Tax⁽⁴⁾ (PV₁₀)

PDP reserve value ⁽²⁾	\$49.9 million / \$38.6 million
Proved reserve value ⁽²⁾	\$73.6 million / \$55.6 million
P+P reserve value ⁽²⁾	\$89.1 million / \$70.0 million

Notes to the table above:

- (1) The purchase price will be subject to normal adjustments for a transaction of this nature.
- (2) Working interest reserves before the calculation for royalties, before the consideration of royalty interest reserves, and before the effect of corporate taxes.

Reserves estimates are based on a reserves report prepared by Sproule Associates Limited ("**Sproule**") on the Assets dated as of November 28, 2016 and effective as of October 31, 2016. The reserves were prepared in accordance with the Canadian Oil and Gas Evaluation Handbook by Sproule, an independent qualified reserves evaluator, in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*. Reserve values are based on Sproule's October 31, 2016 price forecast.
- (3) The reserve life index ("**RLI**") is calculated by dividing P+P reserves estimated at October 31, 2016 with estimated production at closing.
- (4) Assuming availability of \$15 million of tax pools as at October 31, 2016.

Financial Information

The table below presents selected financial information for the Assets for the year ended December 31, 2015 and for the nine month period ended September 30, 2016.

	<u>Nine Month period ended September 30, 2016⁽¹⁾</u>	<u>Year ended December 31, 2015⁽²⁾</u>
Revenues	\$23,127,631	\$66,417,807
Royalties	\$(3,260,062)	\$(9,453,064)
Expenses	\$(23,281,039)	\$(59,308,768)
Operating Income (Loss)	\$(3,413,470)	\$(2,344,025)

Notes to the table above:

- (1) Based on the unaudited operating statements prepared in respect of the Assets for the nine month period ended September 30, 2016.
- (2) Based on the audited operating statements prepared in respect of the Assets for the year ended December 31, 2016.

As at September 30, 2016, Razor had \$19,445 of total assets, \$20,000 of total liabilities and \$(555) of shareholder's equity. Razor has not conducted active operations since incorporation. Information with respect to Razor's financial statements and the operating statements of the Assets will be included in the management information circular or filing statement to be filed on SEDAR in connection with the Proposed Transaction.

Share Capital Structure

As of the date of this press release, 97,941 Razor Shares are issued and outstanding.

As a group, the directors and senior officers of Razor own or control (directly or indirectly) 48,541 Razor Shares representing approximately 49.6% of the outstanding Razor Shares.

Proposed Financing

In conjunction with the closing of the Proposed Transaction, Razor anticipates it will complete an offering of senior secured notes to a certain arm's length lender for aggregate gross proceeds of up to \$30 million on terms to be agreed upon by Razor and the lender (the "**Financing**"). It is currently anticipated that the proceeds of the Financing will be used to fund the purchase price in respect of the Acquisition, to fund Razor's development program following completion of the Proposed Transaction and for general corporate purposes.

There can be no assurance that the Financing will be completed, which is necessary in order for Razor to fully fund the purchase price for the Assets. In the event Razor is unable to complete the Financing on satisfactory terms, Razor will need to find additional sources of financing to complete the Acquisition. There can be no guarantee that Razor will be able to secure such additional financing or obtain it on satisfactory terms. If Razor is unable to complete the Financing or obtain other sources of financing on satisfactory terms, it will not be able to complete the Acquisition.

Vector intends on issuing a press release disclosing further information about the Financing once such information is available.

Management Team and Board of Directors

The board of directors of Vector currently consists of Darryl Levitt, Steve Poad, Richard Molyneux and Jeremy Wyeth. It is anticipated that all such directors will resign from the board of directors of Vector following completion of the Proposed Transaction and will be replaced by the current directors of Razor, whereby the board of directors of Vector following completion of the Proposed Transaction (the “**Resulting Issuer**”) would be comprised of Doug Bailey, Frank Muller, Sony Gill, Vick Saxon and Sonny Mottahed. None of the current directors or officers of Vector are directors, officers or shareholders of Razor and none of the directors, officers of Razor are directors, officers or shareholders of Vector.

Subject to and following the closing of the Proposed Transaction, the directors and officers of the Resulting Issuer are expected to be the following individuals.

Doug Bailey, President, Chief Executive Officer and Director (Calgary, Alberta)

Doug Bailey is a designated accountant with over 20 years of commercial experience from heavy infrastructure construction to oil and gas exploration and production. Having been born and residing in Alberta, Mr. Bailey has been engaged in the oil and gas industry since the early 2000’s. Starting with various restructuring mandates, Mr. Bailey evolved into a founder of Canadian Phoenix, which sold to Renegade Petroleum, and Hyperion Exploration. Most recently, Mr. Bailey co-founded Striker Exploration Corp. (“**Striker**”), which amalgamated with Gear Energy Ltd. in July 2016. Mr. Bailey is currently a member of the Chartered Professional Accountants of Alberta.

Frank Muller, Senior Vice President, Chief Operating Officer and Director (Calgary, Alberta)

Frank Muller is a professional geoscientist with 32 years of experience in Western Canada, primarily Alberta. Mr. Muller’s technical foundation was built while employed with Chevron Canada, Hillcrest Resources and Jordan Petroleum. Mr. Muller co-founded Real Resources and WestFire Energy where he held increasingly senior managerial/executive roles. Most recently, Mr. Muller co-founded Striker, which amalgamated with Gear Energy Ltd. in July 2016. Mr. Muller is currently a member of APEGA, APEGS and the CSPG.

David Derkat, Vice President, Engineering (Calgary, Alberta)

Dave Derkat is a professional engineer with 25 years of experience in Western Canada. Mr. Derkat began his career in field operations involving production, fracturing, coiled tubing, acidizing, well testing, and drilling. He then shifted into GLJ Petroleum Consultants as Partner conducting resource, corporate and A&D evaluations. Mr. Derkat then moved into various senior and executive roles in engineering, A&D and business development with Centrica, NEP Canada and Canadian Discovery. Most recently, he founded Mechanized Energy Resources with a mandate to raise capital to deploy in the Montney. Mr. Derkat is currently a member of APEGA and SPE.

Steven Sych, Vice President, Production (Calgary, Alberta)

Steve Sych is a certified engineering technologist with over 25 years of oil and gas experience throughout Western Canada. Growing up in Alberta and in the oil and gas industry, Mr. Sych has had the opportunity to develop a very strong background in production and operations management. Mr. Sych began his career in the field and has held increasingly managerial roles

with various oil and gas companies, including Zargon Oil and Gas, MGV Energy, and most recently with Arsenal Energy, which amalgamated with Lone Pine Resources. Mr. Sych is currently a member of ASET.

Sony Gill, Director (Calgary, Alberta)

Sanjib (Sony) Gill is a partner at McCarthy Tétrault LLP and is the Practice Group Lead for the Business Law Group in Calgary. Mr. Gill has dealt with all aspects of a public and private company's creation, growth, restructuring and value maximization. Mr. Gill has extensive experience in the negotiation, structuring and documentation of a broad range of corporate finance, securities and M&A transactions, including public offerings, private placements, debt financings, recapitalizations, tax motivated restructurings, takeover bids, reverse takeovers, asset and share transactions, plans of arrangement, stock exchange listings and other forms of business combinations and corporate activity. Mr. Gill also acts as corporate secretary for numerous public and private oil and gas companies. Mr. Gill is a member of the Law Society of Alberta and the Canadian Bar Association.

Vick Saxon, Director (Calgary, Alberta)

Vick Saxon is an Oil & Gas professional and serves as a Director of VZFOX Canada Group of Companies. Mr. Saxon is also a co-founder of V'NS Limited, an oil field equipment supply company. Mr. Saxon has experience in facilities, subsurface engineering and environmental and industry regulations in Western Canada. Mr. Saxon is an entrepreneur with a Bachelor of Science degree in Mechanical Engineering (Summa Cum Laude) from the University of North Carolina. Mr. Saxon was awarded life time memberships in many engineering honor societies in the United States.

Sonny Mottahed, Director (Calgary, Alberta)

Shahin (Sonny) Mottahed has more than 20 years of Oil & Gas and Finance experience and is currently the Chief Executive Officer and Managing Partner of Black Spruce Merchant Capital. Prior thereto, Mr. Mottahed was the Managing Director, Investment Banking & Head of International Oil & Gas at Raymond James in Calgary where he created the International Exploration & Production practice and grew it in three years to #1 ranked in Canada by market share. In four years at Raymond James, Mr. Mottahed was involved with \$4 billion of capital raised, 75 financings and 34 lead mandates. Mr. Mottahed's direct oil & gas experience includes business development at Nexen Inc., management consulting at Offshore Management Solutions, business analyst at El Paso and business development at Integrated Logistic Services.

Chief Financial Officer

The officers of Razor, in consultation with the board of directors of Razor, are actively engaged in interviewing a number of strong candidates to act as the Chief Financial Officer of the Resulting Issuer to be effective upon completion of the Proposed Transaction. The directors and officers of Razor are focused on ensuring that the successful candidate has strong qualifications, extensive public company experience and a track record of success. Razor recognizes the value and importance of strong financial reporting and disciplined internal controls in ensuring the future success of the Resulting Issuer.

The Proposed Transaction

Pursuant to the Proposed Transaction:

- (i) subject to the terms of the Arrangement Agreement, each holder of Razor Shares shall be deemed to have exchanged such Razor Shares for Vector Shares and shall receive 2,042.13 Vector Shares for each Razor Share held by such shareholder;
- (ii) Vector shall acquire all of the issued and outstanding Razor Shares; and
- (iii) Razor will continue as a wholly-owned subsidiary of Vector.

It is anticipated that, concurrently with the closing of the Proposed Transaction or shortly thereafter:

- (i) the Vector Shares issued and outstanding after the completion of the Proposed Transaction shall be consolidated on the basis of one post-consolidation Vector Share for up to every 20 pre-consolidation Vector Shares outstanding (the “**Consolidation**”);
- (ii) Vector will be continued into Alberta from Ontario (the “**Continuance**”); and
- (iii) the name of Vector shall be changed to “Razor Energy Corp.” or such other name as is agreed to by Vector and Razor, acting reasonably (the “**Name Change**”).

Completion of the Proposed Transaction is subject to the completion of a number of conditions, including, but not limited to: (i) completion of the Financing for minimum gross proceeds of \$20 million; (ii) receipt of the approval of the Proposed Transaction by the Razor Shareholders; (iii) approval of the Consolidation, the Continuance and the Name Change by the Vector Shareholders; (iv) receipt of Court approval of the Proposed Transaction; (v) all conditions under the PSA (other than payment of the purchase price necessary to complete the Acquisition) having been satisfied or waived; (vi) receipt of Exchange conditional approval for the Proposed Transaction and the issuance of Vector Shares pursuant to the Proposed Transaction; and (vii) receipt of all required regulatory, governmental and third party approvals.

The proposed management for the Resulting Issuer currently intends to complete a “vertical short form” amalgamation pursuant to the *Business Corporation Act* (Alberta) whereby the Resulting Issuer and Razor will amalgamate and continue as the Resulting Issuer.

The Vector Shares will continue to be halted until the Proposed Transaction has closed.

Additional Information

Additional information regarding the Proposed Transaction and Razor will be made publicly available by Vector in due course.

Vector will apply to the Exchange for an exemption from the sponsorship requirements in connection with the Proposed Transaction. There is no assurance that such exemption will be granted.

Razor's work program and other oil and gas information regarding Razor and the Assets will be submitted to the Exchange for its review.

For further information, please contact:

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Reader Advisory

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and, if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed 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 Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

The recovery and reserve estimates of oil, NGLs and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. The estimated future net revenue from the production of the Asset's natural gas and petroleum reserves does not represent the fair market value of the Asset's reserves.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved of the contents of this press release.

Neither the Exchange nor its regulation services provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

Abbreviations

boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
MMboe	million barrels of oil equivalent

Unit Cost Calculation

For the purpose of calculating unit costs, natural gas volumes have been converted to a barrel of oil equivalent ("boe") using six thousand cubic feet equal to one barrel unless otherwise stated. A boe conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms with Canadian Securities Regulators' National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*. Boe's may be misleading, particularly if used in isolation.

Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this news release contains forward looking statements and information concerning the Proposed Transaction, the Acquisition and the Financing, the expected composition of the board of directors of the Resulting Issuer, the application to the Exchange in respect of the Proposed Transaction, the completion and timing of the Consolidation, the Continuance and the Name Change and the completion and timing of the proposed vertical short form amalgamation of Vector and Razor. The forward-looking statements and information are based on certain key expectations and assumptions made by Vector, including expectations and assumptions concerning Vector, Razor, the Assets, the Resulting Issuer, the Acquisition, the Financing and the Proposed Transaction, the negotiation of the Financing on satisfactory terms, the timely receipt of all required shareholder, Court, Exchange and regulatory approvals and the satisfaction of other closing conditions in accordance with the terms of the Arrangement Agreement. Although Vector believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Vector can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties, include, but are not limited to, the results of the due diligence review on either Vector or Razor by the other are less than satisfactory, the failure to complete the Financing on satisfactory terms or the parties are unable to obtain the required Exchange and shareholder approvals. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Vector undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.