RAZOR ENERGY CORP. ANNOUNCES CLOSING OF PREVIOUSLY ANNOUNCED STRATEGIC LIGHT OIL ASSET ACQUISITION AND UPDATED 2017 CORPORATE BUDGET AND GUIDANCE

May 25, 2017 - Calgary, Alberta - Razor Energy Corp. (“Razor” or the “Company”) (TSXV: RZE) (www.razor-energy.com) is pleased to announce the closing of the previously announced strategic acquisition of light oil assets located in west central Alberta (the “Assets”) for cash consideration of $9.6 million, subject to customary adjustments (the “Acquisition”). The Assets, situated within Razor’s core area, are characterized by low decline, light oil focused production, which is primarily operated with abundant infrastructure to complement Razor’s existing asset portfolio.

THE ACQUISITION

The purchase price for the Acquisition was $9.6 million, prior to closing adjustments (the “Purchase Price”). The Purchase Price was funded through a prospectus financing (the “Offering”) through a syndicate of agents co-led by Haywood Securities Inc. and Jett Capital Advisors, LLC, together with Canaccord Genuity Corp., Eight Capital, National Bank Financial Inc., Acumen Capital Finance Partners Limited and Macquarie Capital Markets Canada Ltd. (collectively, the “Agents”) of 5,750,000 subscription receipts of the Company (“Subscription Receipts”) at a price of $3.00 per Subscription Receipt for aggregate gross proceeds of $17.25 million, including the full exercise of the Agents’ over-allotment option, which closed on May 15, 2017.

In accordance with their terms, each Subscription Receipt was exchanged for one common share of the Company (“Common Share”) and one-half of one Common Share purchase warrant (“Warrant”) upon closing of the Acquisition and the aggregate gross proceeds of the Offering were released from escrow. Holders of Subscription Receipts are not required to take any action in order to receive the Common Shares and Warrants to which they are entitled.

The Acquisition is complementary on a geographic, geological and operational basis and in terms of product mix with Razor’s current assets and operations in the Swan Hills areas. On a pro forma basis, using February 2017 field estimated production, the Company anticipates production at or above 3,700 boe/d, of which 85% is light oil and natural gas liquids.

The Acquisition enhances Razor’s existing asset base with similar reactivation and re-entry opportunities, in addition to future drilling upside with proven deliverability of light oil from the Montney formation. The primary fields within the Assets include Kaybob South Triassic Units No. 1 and 2, Kaybob Beaverhill Lake Unit No. 1 and Simonette/Karr Beaverhill Lake Oil Pools.

With 95,679 (33,542 net) acres of land, the majority held by production, Razor foresees ample drilling opportunities comprised of both vertical and horizontal wells. Management has currently identified over 15 net drilling locations including the potential for future horizontal targets. The development of these properties is expected to be part of the 2018 capital program.

ASSET SUMMARY(1)

Total purchase price	$9.6 million
Current production (Feb 2017 field)	759 boe/d
Annual decline rate	15%
Land	95,679 (33,542 net) acres
Net locations	15 unbooked
Forecast 2017 operating netback(2)	$10.82/boe
Reserves (Gross)	
Proved developed producing ("PDP") reserves(3)	1.5 MMboe
Total Proved ("TP") reserves(1)(3)	2.8 MMboe
Total proved plus probable ("P+P") reserves(3)	3.7 MMboe
P+P RLI(4)	13 years
Reserves Value Before Tax (PV10)(3):	
PDP reserve value	$22.5 million
TP reserve value	$36.2 million
P+P reserve value	$44.7 million
Run rate cash flow(5)	$3.3 million

ACQUISITION METRICS(1)

Current production (Feb 2017 field)	$12,652 per boe/d
Proved developed producing reserves(3)	$6.46 per boe
Total proved reserves(3)	$3.48 per boe
Total proved plus probable reserves(3)	$2.62 per boe
Purchase price / PDP reserve value	43%
Purchase price / TP reserve value	27%
Purchase price / P+P reserve value	21%
Run rate cash flow(5)	3.20x

(1) Subject to normal adjustments for a transaction of this nature and adjustments related to the exercise of certain ROFRs.

(2) Operating netback does not have any standard meaning prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with the calculation of similar measures for other entities. Operating netback equals total petroleum and natural gas sales less royalties and operating costs calculated on a boe basis. Razor considers operating netback as an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The estimated operating netback was derived using the Company's 2017 commodity price forecast of US$52.50/Bbl WTI, $2.50/MCF AECO, and a US/Canadian dollar exchange rate of $0.75 with the average operating netback calculated from the closing date of the Acquisition to December 31, 2017. See "Reader Advisories – Non-IFRS Measures".Gross Company Reserves. Reserves based on the Kaybob Assets Reserves Report effective December 31, 2016 prepared in accordance with the requirements of the COGE Handbook as required by NI 51-101.

(3) Gross Company Reserves means Razor's working interest reserves following completion of the Acquisition before the calculation of royalties, and before the consideration of the Company's royalty interests.

(4) The reserve life index ("RLI") is calculated by dividing total proved plus probable reserves estimated at 3,683 MBoe with estimated current production of the Kaybob Assets of 759 boe/d.

(5) Run rate cash flow does not have any standard meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. Run rate cash flow is based on annualized current production of 759 boe/d multiplied by the operating netback for the Kaybob Assets of $10.82/boe (see Note 2 above).

2017 CAPITAL BUDGET AND REVISED GUIDANCE

Given the volatility in commodity prices and Razor's ability to grow production through high frequency / low capital intensive projects, Razor expects to take a disciplined and conservative approach to the 2017 budget. The capital budget will be reviewed continuously by management and the board of directors of the Company (the "Board") for changes in commodity price assumptions and project economics. Razor remains steadfast in its conviction to maintain its financial advantage and build a top-tier junior oil and gas company.

For fiscal 2017, the capital expenditure budget of $13.0 million, which was approved by the Board prior to the Acquisition, remains unchanged. Razor continues to invest in a combination of reactivations, re-entries, optimization activities and waterflood management. These initiatives will be split between Swan Hills and Kaybob areas at management's discretion. In addition, the budget addresses the Alberta Energy Regulator's requirement under the Inactive Well Compliance Program including end of life well and facility spending.

With innovative focus and disciplined capital deployment in its Swan Hills and Kaybob areas, the Company is well positioned to execute on its growth strategy while maintaining financial flexibility.

The Company's 2017 revised financial and operating guidance and assumptions are as follows:

Average daily production 2017	
Light oil (bbls/d)	2,581
NGLs (bbls/d)	716
Natural gas (mcf/d)	3,319
Oil equivalent (boe/d)	3,850
Capital expenditures	$13.0 million
Term Loan (maturity January 31, 2021)	$30.0 million
Working capital, December 31, 2017	$13.5 million
Net debt, December 31, 2017 ("Exit Net Debt")	$16.5 million
Funds flow from operations in 2017 ("2017 FFO")[1]	$9.5 million
Exit Net Debt to 2017 FFO[1]	1.7x
Assumptions:	
WTI (US$/bbl)	$52.50
Exchange rate (US$/C$)	0.75

Light sweet oil differential to WTI (C$/bbl)	($4.00)
Average corporate oil quality discount (C$/bbl)	($3.00)
AECO gas (C$/mcf)	$2.50

(1) "Funds flow from operations" and "net debt" do not have any standardized meaning prescribed by IFRS. See "Reader Advisories – Non-IFRS Measures".

Razor plans to continue to pursue value-driven acquisitions with a view towards consolidation of land and production within the Company's existing project areas in addition to complementary shallow, light oil 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 Energy Corp., is a light oil focused company operating predominantly in Alberta. Razor's full-cycle business plan provides an opportunity to reposition the Company as a disciplined and high-growth junior E&P company. With an experienced management team and a strong, committed Board, growth is anticipated to occur through timely strategic acquisitions and operations. 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 anticipated annual decline rate; capital program of the Company, including expected production and cash flow related to the Acquisition; expected number of future drilling locations related to the Acquisition; the Company's reactivation program; matters relating to the 2017 capital budget; the Company's 2017 guidance; and the Company's acquisition strategy. In addition, the use of any of the words "anticipate", "believe", "expect", "plan", "intend", "estimate", "potential", "can", "will", "should", "continue", "may", "envision" 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 for the period ended December 31, 2016, 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 terms "funds flow from operations", "net debt", “operating netback” and “run rate cash flow”, which do not have standardized meanings prescribed by IFRS and therefore may not be comparable with the calculation of similar measures by other companies. Funds flow from operations represents cash flow from operating activities before changes in non-cash working capital and decommissioning expenditures. Management uses funds flow from operations to analyze operating performance and leverage. 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. Operating netback equals total petroleum and natural gas sales less royalties and operating costs calculated on a boe basis. Razor considers operating netback as an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The estimated operating netback was derived using the Company’s 2017 commodity price forecast of US$52.50/Bbl WTI, $2.50/MCF AECO, and a US/Canadian dollar exchange rate of $0.75 with the average operating netback calculated from the closing date of the Acquisition to December 31, 2017. Run rate cash flow is based on annualized current production of 759 boe/d multiplied by the operating netback for the Kaybob Assets of $10.82/boe.*

***ADVISORY ON PRODUCTION INFORMATION:** Unless otherwise indicated herein, all production information presented herein has presented on a gross basis, which is the Company's working interest prior to deduction of royalties and without including any royalty interests.*

***DRILLING LOCATIONS.** This press release discloses drilling inventory as unbooked locations. Unbooked locations are internal estimates based on our prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Unbooked locations have been identified by management as an estimation of the Company’s multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled, there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which Razor actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the* *characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.*

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.*