RAZOR ENERGY CORP. ANNOUNCES FIRST QUARTER 2018 RESULTS AND RETAINS ALLIANCE CAPITAL PARTNERS

May 17, 2018 - Calgary, Alberta - Razor Energy Corp. ("Razor" or the "Company") (TSXV: RZE) is pleased to announce its first quarter 2018 financial and operating results. Selected financial and operational information is outlined below and should be read in conjunction with Razor's unaudited condensed consolidated interim financial statements and management's discussion and analysis for the quarter ended March 31, 2018 which are available on SEDAR at www.sedar.com and the Company's website www.razor-energy.com.

Q1 2018 HIGHLIGHTS

OPERATING

- Generated adjusted funds flow of $5.5 million in the first quarter of 2018 compared to $0.4 million in the first quarter of 2017.
- Reported $0.3 million after tax net income in the first quarter of 2018 compared to a $1.8 million net loss in the same period last year.
- Achieved average production of 4,353 boe/d in the first quarter of 2018, a 42% increase from the same period in 2017 due to Kaybob acquisitions, Kaybob area drilling, and general reactivation and optimization activities.
- Net revenues increased 164% in the first quarter of 2018 from the same period in 2017, due to three months of production in 2018 compared to two months in 2017, coupled with increased production and a 18% increase in realized prices.

ACQUISITIONS

- Acquired additional non-operated working interest positions to consolidate Razor's existing Kaybob Triassic Units 1 and 2 for $4.7 million cash consideration.

CAPITAL

- Invested $14.4 million in its capital program in the first quarter of 2018, comprising mainly of a four well drilling program and the continuation of the well reactivation program.
- Reactivated 7 gross (6.4 net) wells during the first quarter of 2018, resulting in 259 boe/d of additional production.

FINANCING

- Obtained additional $15.0 million in debt financing from Alberta Investment Management Corporation ("AIMCo") for a total amended term loan facility of $45.0 million due January 31, 2021.

NEAR AND MEDIUM-TERM OBJECTIVES

- Reducing operating costs;
- Reactivating suspended wells;
- Improving production efficiency through recompletions, workovers, stimulations, and waterflood optimizations; and
- Acquiring and consolidating complementary assets.

SELECT QUARTERLY HIGHLIGHTS

The following tables summarizes key financial and operating highlights associated with the Company's financial performance.

($000's unless otherwise stated)	Three Months Ended March 31, 2018	2017
Production [1]		
Oil (bbl/d)	**3,032**	2,032
Gas (mcf/d)	**3,286**	1,932
NGL (bbl/d)	**774**	721
Total (boe/d)	**4,353**	3,075
Oil and natural gas revenue		
Oil and NGL sales	**21,529**	8,456
Natural gas sales	**705**	278
Blending and processing income	**2,375**	371
Other revenue	**233**	447
Total revenue	**24,842**	9,552
Cash flows from (used in) operating activities	**5,457**	(3,229)
Funds flow [2]	**5,318**	161
Per share -basic and diluted	**0.34**	0.02
Adjusted funds flow [2]	**5,530**	372
Per share - basic and diluted	**0.35**	0.04
Net income (loss)	**267**	(1,829)
Per share - basic and diluted	**0.02**	(0.18)
Weighted average number of shares outstanding (basic and diluted)	**15,724,934**	10,048,376
Capital expenditures	**14,402**	979
Net assets acquired [3]	**4,641**	17,089
Netback ($/boe)		
Oil and gas sales	**56.76**	48.14
Royalty	**(12.70)**	(9.04)
Operating expenses	**(27.51)**	(30.83)
Operating netback [2]	**16.55**	8.27
Net blending and processing income [2]	**3.89**	1.95
Other revenues	**0.59**	0.42
General and administrative	**(2.99)**	(3.20)
Acquisition and transaction costs	**(0.04)**	(5.38)
Interest	**(2.69)**	(2.68)
Corporate Netback [2]	**15.31**	(0.62)

1) Production for the three months ended March 31, 2017 represents the daily average production from February 1 to March 31, 2017.
2) Refer to "Non-IFRS measures".
3) Net acquisitions exclude non-cash items and is net of post-closing adjustments.

($000's)	**March 31, 2018**	**December 31, 2017**
Total assets	**160,887**	133,904
Cash	**13,105**	7,487
Long-term debt (principal)	**45,000**	30,000
Net debt [1]	**42,872**	27,215
Number of shares outstanding	**15,767,534**	15,511,934

1) Refer to "Non-IFRS measures".

OPERATIONAL UPDATE

Razor's production during the first quarter of 2018 averaged 4,353 boe/d, of which approximately 87% was light oil and NGLs. Production for the first quarter of 2018 increased 42% from the same period in 2017 due to the acquisitions of the Kaybob assets, along with well reactivations. Swan Hills production is down 11% from 3,425 boe/d in Q4 2017 mostly due to pipeline issues in the first quarter of 2018, which have since been addressed.

In the second quarter of 2018, Swan Hills production is expected to be fully back online however, Kaybob production will be curtailed by planned area gas plant turnarounds. Guidance of 5,000 boe/d average in 2018 remains unaffected.

During the first quarter of 2018, the Company realized an average operating netback of $16.55/boe up 100% from the same quarter last year, on higher realized prices and lower operating costs.

Royalty rates averaged 22% in the first quarter of 2018, compared to 19% for the same period in 2017. The increase in royalty is due to increased commodity prices.

Operating expenses decreased 11% in the first quarter of 2018 compared to the same period in 2017, mostly due to operational efficiencies that were offset by increased workover activity. Workovers and facility and pipeline integrity expenses averaged $3.43/boe in the first quarter of 2018 compared to $1.91/boe in 2017.

The top cost drivers, fuel and electricity, labour, property taxes, and repairs and workovers, accounted for 68% of total operating expenses in the first quarter of 2018 (Q1 2017 - 64%), electricity and fuel accounted for 31% of operating expenses in Q1 2018 compared to 22% in Q1 2017, mostly due to a 53% increase in electricity average pool prices in Q1 2018 vs Q1 2017. Pipeline and facility repairs and workovers account for 19% of operating expenses in the quarter up from 13% in the same period last year, mostly due to increased pipeline integrity work.

Management is focused on continuous improvement of operational efficiencies to drive down key cost drivers. Specifically, the Company is working to reduce reliance on grid-based electricity through natural gas power generation along with electrical contract buydowns to align with current demand and anticipates electricity costs to decrease beginning in the third quarter of 2018. Management is also executing various well reactivation projects to increase production which reduces the per boe impact of fixed operating costs.

Net blending and processing income for the first quarter of 2018 increased significantly by 330% to $1.5 million compared to $0.4 million in the same period in 2017, mostly due to increased volumes and the optimization of the company's blending facility.

CAPITAL PROGRAM

During the three months ended March 31, 2018, Razor invested $14.4 million on a combination of reactivations and drilling activities. In the first quarter of 2018, the Company reactivated 7 gross (6.4 net) wells, resulting in 259 boe/d of net additional production.

Razor’s Q1 2018 four well development program in the Kaybob area has been completed. Early oil and gas production is under performing to expectation, however fluid flow rate and pressure is relatively strong. Evaluation of these wells has resumed in recent days after testing was curtailed in April and May due to the aforementioned Kaybob area gas plant turnarounds. Management will continue to evaluate these wells, however until the results are better understood the capital allocated to drilling the remaining 4 well in the 2018 budget has been reallocated to the well reactivation program.

ABANDONMENT, RECLAMATION, AND REMEDIATION EXPENDITURES

Razor inherited decommissioning liabilities included in its Swan Hills and Kaybob acquisitions. In Q1 2018 the Company spent $0.2 million on abandonment, reclamation, and remediation expenditures. The Company continues to invest in end-of-life well and facility operations and has 39 wells remaining in the Inactive Well Compliance Program it needs to address over the next two years.

INVESTOR RELATIONS

We are pleased to announce the retention of Alliance Capital Partners ("Alliance") and principal Gordon Aldcorn to provide investor relation services to Razor. Alliance's involvement will enhance the visibility of Razor and reinforce the Company's profile in the capital markets community. We chose Alliance as its values, standards and breadth of knowledge and reach into the financial networks is exceptional.

In consideration of the services to be provided, the monthly fees incurred by Razor will be a cash consideration of up to $7,000 CDN, starting May 1, 2018 for a period of six months ending on October 31, 2018 and on a month to month basis thereafter.

Alliance does not have any interest, directly or indirectly, in Razor or its securities, or any right or intent to acquire such an interest.

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 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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NON-IFRS MEASURES: This press release contains the terms "funds flow", "adjusted funds flow", "net blending and processing income", "net debt", "operating netback" and "corporate netback", which do not have standardized meanings prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with the calculation of similar measures by other companies. Funds flow represents cash flow from operating activities before changes in non-cash working capital. Adjusted funds flow represents cash flow from operating activities before changes in non-cash working capital and decommissioning obligation expenditures incurred. Management uses adjusted funds flow to analyze operating performance and leverage, and considers adjusted funds flow from operating activities to be a key measure as it demonstrates the Company's ability to generate cash necessary to fund future capital investments and repay debt. Net blending and processing income is calculated by adding blending and processing income blending and processing expense. Net blending and processing income may not be comparable to similar measures used by other companies. Net debt is calculated as as the principal amount of 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. Corporate netback is calculated by deducting general & administration, acquisition and transaction costs, and interest from operating netback. Razor considers corporate netback as an important measure to evaluate its overall corporate performance.

ADVISORY PRODUCTION INFORMATION: Unless otherwise indicated herein, all production information presented herein is 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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