RAZOR ENERGY CORP. ANNOUNCES SECOND QUARTER 2018 RESULTS

August 2, 2018 - Calgary, Alberta - Razor Energy Corp. ("Razor" or the "Company") (TSXV: RZE) is pleased to announce its second 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 June 30, 2018 which are available on SEDAR at www.sedar.com and the Company's website www.razor-energy.com.

Q2 2018 HIGHLIGHTS

OPERATING

- Achieved average production of 5,023 barrels of oil equivalent per day ("boepd") in the second quarter of 2018, a 59% increase from the same period in 2017 due to Kaybob acquisitions, general reactivation and optimization activities, and Kaybob area drilling.
- Generated adjusted funds flow of $8.7 million in the second quarter of 2018 compared to $1.7 million in the second quarter of 2017.
- Reported $2.5 million after tax net income in the second quarter of 2018 compared to a $1.6 million net loss in the same period last year.
- Increased net revenues by 145% in the second quarter of 2018 from the same period in 2017, due to the Kaybob acquisition, coupled with increased production and 30% increase in realized prices.

CAPITAL

- Invested $12.0 million in its capital program in the second quarter of 2018, comprising mainly of the purchase and installation of the natural gas power generators and the continuation of the well reactivation program.
- Reactivated 8 gross (7.5 net) wells during the second quarter of 2018, resulting in 240 boepd of additional production.

FINANCING

- On June 18, 2018, Razor entered into a $4.4 million four year finance lease to fund a portion of the natural gas power generators and associated equipment purchase.

NEAR AND MEDIUM-TERM OBJECTIVES

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

SELECT QUARTERLY HIGHLIGHTS

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

	Three Months Ended June 30,		Six Months Ended June 30,	
($000's unless otherwise stated)	**2018**	2017	**2018**	2017
Production [1]				
Oil (bblpd)	**3,274**	2,131	**3,153**	2,092
Gas (mcfpd)	**4,056**	1,381	**3,673**	1,598
NGL (boepd)	**1,074**	802	**924**	770
Total (boepd)	**5,023**	3,163	**4,690**	3,128
Oil and natural gas revenue				
Oil and NGL sales	**27,281**	13,202	**48,810**	21,658
Natural gas sales	**626**	329	**1,331**	607
Blending and processing income	**3,560**	1,076	**5,935**	1,447
Other revenue	**1,642**	170	**1,875**	246
Total revenue	**33,109**	14,777	**57,951**	23,958
Cash flows from operating activities	**3,783**	4,771	**9,240**	1,542
Per share -basic and diluted	**0.24**	0.36	**0.59**	0.12
Funds flow [2]	**8,468**	1,187	**13,786**	1,348
Per share - basic and diluted	**0.54**	0.09	**0.88**	0.10
Adjusted funds flow [2]	**8,733**	1,728	**14,263**	2,100
Per share -basic and diluted	**0.55**	0.13	**0.91**	0.16
Net income (loss)	**2,504**	(1,558)	**2,771**	(3,387)
Per share - basic and diluted	**0.16**	(0.12)	**0.18**	(0.30)
Weighted average number of shares outstanding (basic and fully diluted)	**15,767,534**	13,093,827	**15,746,352**	11,579,519
Capital expenditures	**11,981**	974	**26,383**	1,953
Net assets acquired [3]	**(491)**	11,471	**4,150**	11,471
Netback ($/boe)				
Oil and gas sales [4]	**61.05**	47.02	**59.07**	47.45
Royalty	**(8.61)**	(10.89)	**(10.50)**	(10.18)
Operating expenses	**(32.63)**	(27.62)	**(29.48)**	(28.73)
Transportation and treating	**(2.78)**	(0.70)	**(2.29)**	(0.56)
Operating netback [2]	**17.03**	7.81	**16.80**	7.98
Net blending and processing income [2]	**3.88**	2.87	**3.88**	2.51
Realized gain/(loss) on commodity contracts settlement	**(2.43)**	—	**(3.10)**	—
Other revenues [5]	**3.59**	0.59	**2.21**	0.36
General and administrative	**(2.96)**	(4.73)	**(2.97)**	(4.73)
Acquisition and transaction costs	**—**	(0.55)	**(0.02)**	(0.55)
Interest	**(2.46)**	(2.63)	**(2.57)**	(2.63)
Corporate netback [2]	**16.65**	3.36	**14.23**	2.94

1) Production for the six months ended June 30, 2017 represents the daily average production from February 1 to June 30, 2017.
2) Refer to "Non-IFRS measures".
3) Net acquisitions exclude non-cash items and is net of post-closing adjustments.
4) Excludes the effects of hedges using financial instruments but includes the effects of fixed price physical delivery contracts.
5) Other income includes recurring items of road use income and contract operating income. In Q2 2018, Razor had non-recurring income of $1.2 million green house gas credits.

($000's)	**March 31, 2018**	**December 31, 2017**
Total assets	**165,291**	133,904
Cash	**3,617**	7,487
Long-term debt (principal)	**45,000**	30,000
Net debt [1]	**46,200**	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 second quarter of 2018 averaged 5,023 boepd, of which approximately 87% was light oil and NGLs. Production for the second quarter of 2018 increased 59% from the same period in 2017 due to the Kaybob acquisitions, general reactivation and optimization activities, and Kaybob area drilling. Swan Hills production increased 16% from 3,044 boepd in Q1 2018 largely due to Swan Hills production coming back on line after both operated and non-operated infrastructure issues in the first quarter of 2018. Guidance of 5,000 boepd average in 2018 remains unaffected.

During the second quarter of 2018, the Company realized an average operating netback of $17.03/boe up 118% from the same quarter last year, due to higher realized prices offset by higher operating costs.

Royalty rates averaged 14% in the second quarter of 2018, compared to 23% for the same period in 2017. The decrease in royalty is due to the 2017 annual gas crown royalty adjustment of $1.6 million.

Operating expenses increased 18% in the second quarter of 2018 compared to the same period in 2017, mostly due to increased electricity and fuel costs and workover activity. Workovers and facility and pipeline integrity expenses averaged $9.23/boe in the second quarter of 2018 compared to $5.34/boe in 2017. During the second quarter of 2018, workovers consisted of production maintenance activities on 17 gross (16.1 net) wells. In addition, the Company also conducted pipeline integrity repairs and maintenance during planned area gas plant turnarounds.

The top cost drivers, fuel and electricity, labour, property taxes, and repairs and workovers, accounted for 74% of total operating expenses in the second quarter of 2018 (2017 - 60%). Electricity and fuel increased 93% in Q2 2018 vs Q2 2017 mostly due to a 50% increase in electricity usage and 190% increase in electricity average pool prices. Pipeline and facility repairs and workovers increased 123% in Q2 2018 from Q2 2017 accounting for 32% of operating expenses in the second quarter, up from 21% in the same period last year, mostly due to increased well workover activity and increased pipeline integrity work.

Management is focused on continuous improvement of operational efficiencies to drive down key cost drivers. Specifically, in June 2018, the Company installed natural gas power generators to reduce reliance on grid-based electricity. In addition, the Company is also working on 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 second quarter of 2018 increased significantly by 115% to $1.8 million compared to $0.8 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 six months ended June 30, 2018, Razor invested $12.0 million on a combination of reactivations and the purchase and installation of the natural gas power generators and associated equipment to alleviate the increasing electricity costs at the 3-19 battery. In the second quarter of 2018, the Company reactivated 8 gross (7.5 net) wells, resulting in 240 boepd of net additional production.

ABANDONMENT, RECLAMATION, AND REMEDIATION EXPENDITURES

Razor inherited decommissioning liabilities included in its Swan Hills and Kaybob acquisitions. As at June 30, 2018, the Company has addressed 31 wells under the Inactive Well Compliance Program and has 64 wells remaining that it needs to address before March 31, 2020. The Company continues to invest in end-of-life well and facility decommissioning. In Q2 2018 the Company spent $0.3 million on abandonment, reclamation, and remediation expenditures.

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 and deducting 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 the principal amount of long-term debt and lease obligation 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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