RAZOR ENERGY CORP. ANNOUNCES THIRD QUARTER 2018 RESULTS, GUIDANCE REVISION AND EXECUTIVE APPOINTMENT

November 8, 2018 - Calgary, Alberta - Razor Energy Corp. ("Razor" or the "Company") (TSXV: RZE) is pleased to announce its third 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 September 30, 2018 which are available on SEDAR at www.sedar.com and the Company's website www.razor-energy.com.

NEAR AND MEDIUM-TERM OBJECTIVES

- Reducing operating costs, through continued investment in infrastructure and equipment, and increased efficiencies;
- Improving production efficiency through low risk, lower cost capital activities which include waterflood optimization, stimulations, recompletions, and workovers;
- Analyzing further ancillary opportunities including various power generation projects and oil blending;
- Maintaining the monthly dividend;
- Continuing common share buybacks through the renewed Normal Course Issuer Bid (described herein);
- Acquiring and consolidating complementary assets, while disposing of assets where and when appropriate; and
- Identifying potential merger candidates exhibiting complementary criteria.

Q3 2018 HIGHLIGHTS

OPERATING

- Achieved average production of 5,260 barrels of oil equivalent per day ("boepd") in the third quarter of 2018, a 25% increase from the same period in 2017 due to the additional working interest acquisitions in Kaybob, and general reactivation and optimization activities.
- Reported cash flows from operating activities of $6.4 million in the third quarter of 2018 compared to $(1.6) million in the third quarter of 2017.
- Generated adjusted funds flow of $4.2 million in the third quarter of 2018 compared to $1.6 million in the third quarter of 2017.
- Reported $2.3 million after tax net loss in the third quarter of 2018 compared to a $2.5 million net loss in the same period last year.
- Increased net revenues by 71% in the third quarter of 2018 from the same period in 2017, due to the additional working interest acquisitions in Kaybob, increased production, and 40% increase in realized prices.

CAPITAL

- Invested $4.1 million on its capital program in the third quarter of 2018, comprised mainly of the purchase and installation of natural gas power generation equipment, upgraded field and corporate information technology systems and infrastructure and the continuation of the well reactivation programs.
- Reactivated 3 gross (2.8 net) wells during the third quarter of 2018, resulting in 94 boepd of additional production.

FINANCING

- Entered into a $1.0 million promissory note and security agreement ("Promissory Note") on September 12, 2018 to purchase an additional power generator.

DIVIDENDS

- Declared a special cash dividend of $0.165 per share which was paid on October 5, 2018.
- On October 1, 2018, the Company announced transition to a sustainable junior light oil dividend and growth company and declared a monthly cash dividend of $0.0125 per share.

SELECT QUARTERLY HIGHLIGHTS

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
($000's unless otherwise stated)	**2018**	2017	**2018**	2017
Production [1]				
Oil (bblpd)	**3,271**	2,702	**3,193**	2,324
Gas (mcfpd) [2]	**4,505**	2,984	**3,953**	2,125
NGL (boepd)	**1,238**	1,009	**1,030**	861
Total (boepd)	**5,260**	4,207	**4,882**	3,538
Oil and natural gas revenue				
Oil and NGL sales	**28,379**	16,051	**77,189**	37,709
Natural gas sales	**585**	469	**1,916**	1,076
Blending and processing income	**2,625**	1,021	**8,560**	2,468
Other revenue	**189**	252	**2,064**	498
Total revenue	**31,778**	17,793	**89,729**	41,751
Cash flows from operating activities	**6,424**	(1,595)	**15,664**	(53)
Per share -basic and diluted	**0.41**	(0.10)	**1.00**	—
Adjusted funds flow [3]	**4,198**	1,584	**18,461**	3,684
Per share -basic and diluted	**0.27**	0.10	**1.18**	0.28
Net (loss) income	**(2,305)**	(2,519)	**466**	(5,906)
Per share - basic and diluted	**(0.15)**	(0.16)	**0.03**	(0.46)
Dividends per share	**0.17**	—	**0.17**	—
Weighted average number of shares outstanding (basic and fully diluted)	**15,640,107**	15,920,374	**15,710,548**	13,042,372
Capital expenditures	**4,060**	4,229	**30,443**	6,182
Net assets acquired [4]	**(272)**	(1,082)	**3,878**	(1,082)
Netback ($/boe)				
Oil and gas sales [5]	**59.85**	42.68	**59.35**	45.29
Royalty	**(13.96)**	(8.24)	**(11.75)**	(9.30)
Operating expenses	**(32.96)**	(29.80)	**(30.74)**	(29.22)
Transportation and treating	**(1.95)**	(0.15)	**(2.16)**	(0.37)
Operating netback [3]	**10.98**	4.49	**14.70**	6.40
Net blending and processing income [3]	**2.57**	1.72	**3.41**	2.16
Realized gain/(loss) on commodity contracts settlement	**(1.28)**	0.48	**(2.44)**	0.22
Other revenues [6]	**0.39**	0.65	**1.55**	0.29
General and administrative	**(3.98)**	(3.44)	**(3.34)**	(3.82)
Acquisition and transaction costs	**—**	(0.02)	**(0.01)**	(1.33)
Interest	**(2.49)**	(1.99)	**(2.54)**	(2.35)
Corporate netback [3]	**6.19**	1.89	**11.33**	1.57

1) Production for the nine months ended September 30, 2017 represents the daily average production from February 1 to September 30, 2017.
2) Gas production for the three months ended September 30, 2018 include 1,086 mcfpd of internally consumed gas used in power generation.
3) Refer to "Non-IFRS measures".
4) Net acquisitions exclude non-cash items and is net of post-closing adjustments.
5) Excludes the effects of hedges using financial instruments but includes the effects of fixed price physical delivery contracts.
6) 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)	**September 30, 2018**	**December 31, 2017**
Total assets	**163,114**	133,904
Cash	**5,528**	7,487
Long-term debt (principal)	**46,021**	30,000
Net debt [1]	**52,227**	27,215
Number of shares outstanding	**15,448,834**	15,511,934

1) Refer to "Non-IFRS measures".

GUIDANCE REVISION

The Company is updating its previous annual average production guidance from 5,000 boepd to 4,850 boepd, and reducing capital to $38 million. The lower production and capital spending guidance is a direct result of the significant decrease in realized light oil prices in Q4 2018. Although the prevalent American and International light oil benchmarks have remained relatively strong, the near term outlook for Canadian light oil differentials is challenging.

The Company's general view is that the Canadian light oil differentials will tighten in the coming months and quarters. Notwithstanding the foregoing, for the interim period to protect stakeholder value, we have taken the following actions:

- Reducing capital spending in Q4 to non-discretionary abandonment and decommissioning, along with select pipeline work, residual expenditures on the natural gas power generation and field information technology projects, and minor land and equipment purchases.
- Enhanced hydrocarbon management, including amongst other activities utilizing existing storage and recommissioning tanks to allow for deferred sales of produced light oil. Razor has approximately 50,000 bbls of available surface storage.
- Curtailing workover spending on wells requiring repair or optimization work.

EXECUTIVE APPOINTMENT

The Company is excited to announce the appointment of Marc Bergevin as Vice President, Engineering. Mr Bergevin is a professional engineer with 23 years of experience in Western Canada and the international arena. Mr. Bergevin has a strong background in reservoir, exploitation and development engineering all leading to extracting more oil from the reservoir. Mr. Bergevin began his career at Talisman Energy and has progressed through roles of increasing technical and managerial responsibility with Shell Canada, EnCana/Cenovus, PennWest and Cardinal Energy. Mr. Bergevin is a member of APEGA. Mr. Bergevin will be integral in the continued development and exploitation of Razor's extensive light oil fields.

OPERATIONAL UPDATE

Razor's production during the third quarter of 2018 averaged 5,260 boepd, of which approximately 86% was light oil and NGLs. Production for the third quarter of 2018 increased 25% from the same period in 2017 due to the Kaybob acquisitions, along with general reactivation and optimization activities.

During the third quarter of 2018, the Company realized an average operating netback of $10.98/boe up 145% from the same quarter last year, due to higher realized prices partially offset by higher royalties and operating costs.

Royalty rates averaged 23% in the third quarter of 2018, compared to 19% for the same period in 2017. The increase in royalty is due to the increase in realized oil sales prices in Q3 2018 over Q3 2017.

Operating expenses increased 11% in the third quarter of 2018 compared to the same period in 2017, mostly due to increased workover activity. Workovers and facility and pipeline integrity expenses averaged $9.26/boe in the third quarter of 2018 compared to $5.99/boe in 2017. During the third quarter of 2018, workovers consisted of production maintenance activities on 36 gross (16.8 net) wells. In addition, the Company also conducted pipeline integrity repairs and plant repairs in the quarter.

The top cost drivers, fuel and electricity, labour, property taxes, and repairs and workovers, accounted for 77% of total operating expenses in the third quarter of 2018 (2017 - 70%). Electricity and fuel increased 41% in Q3 2018 from Q3 2017 mostly due to a 122% increase in electricity average pool prices and fluid volumes, offset by decreased electricity usage as a result of the installation of natural gas power generation on site. Pipeline and facility repairs and workovers increased 90% in Q3 2018 from Q3 2017 accounting for 28% of operating expenses in the third quarter, up from 20% 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, 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. Management anticipates that these activities have reduced operating expenses by $0.7 million or $1.49/boe in the third quarter of 2018, and should continue in Q4 2018. Upon improvement of oil price differentials, management intends to conduct various well reactivation projects to increase production which reduces the per boe impact of fixed operating costs.

Net blending and processing income for the third quarter of 2018 increased significantly by 87% to $1.2 million compared to $0.7 million in the same period in 2017, mostly due to increased volumes and the optimization of the Company's blending facility. We expect net blending revenue to be down in Q4 2018 due to high light oil differentials.

CAPITAL PROGRAM

During the three months ended September 30, 2018, Razor invested $4.1 million on a combination of reactivations and the purchase and installation of the natural gas power generators and associated equipment. In the third quarter of 2018, the Company reactivated 3 gross (2.8 net) wells, resulting in 94 boepd of net additional production.

ABANDONMENT, RECLAMATION, AND REMEDIATION EXPENDITURES

Razor inherited decommissioning liabilities included in its Swan Hills and Kaybob acquisitions. As at April 1, 2018, the Company had 64 wells remaining in the Inactive Well Compliance Program that it needs to address before March 31, 2020. The Company continues to invest in end-of-life well and facility decommissioning. In Q3 2018, the Company spent $1.7 million on abandonment, reclamation, and remediation expenditures.

NORMAL COURSE ISSUER BID

On September 13, 2018, Razor announced its intention to commence a new NCIB to repurchase up to 772,442 of its common shares in open market transactions on the TSXV, representing 5% of the outstanding common shares at September 13, 2018. The NCIB will expire no later than September 13, 2019. During the three and nine months ended September 30, 2018, the Company repurchased and canceled 318,700 of its common shares for $947 thousand (September 30, 2017 - 115,900 shares for $188 thousand).

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”.

For additional information please contact:

Doug Bailey
President and Chief Executive Officer

OR

Kevin Braun
Chief Financial Officer

Razor Energy Corp.
800, 500-5th Ave SW
Calgary, Alberta T2P 3L5
Telephone: (403) 262-0242
www.razor-energy.com

Alliance Capital Partners
Gordon Aldcorn
www.alliancecapitalpartners.ca
403-618-6507

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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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