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## RAZOR ENERGY CORP. ANNOUNCES THIRD QUARTER 2023 RESULTS

**November 23, 2023 - Calgary, Alberta** - Razor Energy Corp. ("Razor" or the "Company") (TSXV: RZE) announces its third quarter financial and operating results. Selected financial and operational information is outlined below and should be read in conjunction with Razor's unaudited interim condensed consolidated financial statements, management's discussion and analysis for the three and nine months ended September 30, 2023 which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and the Company's website [www.razor-energy.com](http://www.razor-energy.com).

All amounts are expressed in Canadian dollars. Certain metrics, including those expressed on an adjusted basis, are non-IFRS and other financial measures. See "Non-IFRS and Other Financial Measures" below.

### 2023 YEAR-TO-DATE HIGHLIGHTS

- **Debt settlement:** Razor settled all outstanding indebtedness owed to Alberta Investment Management Corporation ("AIMCo") of \$64.0 million by way of the sale and transfer by Razor to AIMCo of that number of FutEra Common Shares representing 70% of the issued and outstanding FutEra Common Shares and 100% of the issued and outstanding FutEra Preferred Shares. No Razor Common Shares were issued as part of the debt settlement.
- **Rights Offering:** Razor closed a rights offering for gross proceeds of \$8.0 million less share issuance and transaction costs which resulted in the issuance of 10,014,821 Common Shares and 10,014,821 Warrants. Each Unit Warrant entitles the holder to purchase one Common Share at a price of \$1.20 per Common Share for a period of five years from the date of issuance.
- **Net Debt<sup>1</sup>:** Reduced net debt by \$70.2 as compared to December 31, 2023. Net debt totaled \$55.4 million at September 30, 2023.
- **Production enhancement activities:** Starting in June and continuing into the third quarter, Razor conducted 24 workovers which provided initial production rates of 730 boe/d.
- **Production:** Achieved production of 3,787 boe/d during Q3, an increase of 10% over Q2 2023.

1) Refer to "Non-IFRS and other financial measures."

### THIRD QUARTER OPERATIONS UPDATE

#### Swan Hills

Production volumes in Q3 2023 increased 16% as compared to Q2 2023. Production increased as compared to Q2 2023 as a result of workover activity in the third quarter of 2023 which brought on additional production.

#### Kaybob

Production volumes were consistent with Q2 2023. The Company's 2023 reactivation program commenced in June 2023 which increased production in July and August 2023 but was offset by a third party gas plant turnaround in September which shut in 65% of Kaybob production for the month.

#### Southern Alberta

Production volumes decreased 3% from Q2 2023. The decrease in production volumes was the result of a minor property disposition in Q2 2023 partially offset by the production increases from Company's 2023 reactivation program.

## SELECT QUARTERLY HIGHLIGHTS

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

(\$000s, except for per share amounts and production)	Three Months Ended			Nine Months Ended		
	September 30,			September 30,		
	2023	2022	% Change	2023	2022	% Change
<b>Production</b>						
Light oil (bbl/d)	<b>2,283</b>	2,816	(19)	<b>2,271</b>	2,755	(18)
Natural gas (mcf/d) <sup>1</sup>	<b>4,530</b>	4,948	(8)	<b>5,507</b>	4,737	16
NGLs (boe/d)	<b>749</b>	873	(14)	<b>560</b>	893	(37)
Total (boe/d)	<b>3,787</b>	4,514	(16)	<b>3,749</b>	4,437	(16)
<b>Revenue</b>						
Oil and NGL sales	<b>23,788</b>	33,158	(29)	<b>66,827</b>	102,706	(35)
Natural gas sales	<b>385</b>	1,979	(81)	<b>3,718</b>	6,931	(47)
Blending and processing income	<b>927</b>	873	7	<b>1,999</b>	2,692	(26)
Other revenue	<b>338</b>	667	(50)	<b>1,278</b>	1,670	(24)
Total Revenue	<b>25,438</b>	36,677	(31)	<b>73,822</b>	113,999	(36)
<b>Netback (\$/boe)<sup>2</sup></b>						
Oil and gas sales	<b>69.38</b>	84.61	(20)	<b>68.93</b>	90.51	(25)
Royalties	<b>(12.97)</b>	(24.39)	(47)	<b>(13.65)</b>	(23.12)	(41)
Adjusted net operating expenses <sup>2 3</sup>	<b>(37.84)</b>	(42.99)	(12)	<b>(44.09)</b>	(39.41)	12
Production enhancement expenses <sup>2</sup>	<b>(2.21)</b>	(6.23)	(65)	<b>(3.95)</b>	(7.38)	(46)
Transportation and treating	<b>(3.10)</b>	(2.75)	13	<b>(3.16)</b>	(2.56)	23
Operating Netback prior to Realized Gain (Loss)	<b>13.26</b>	8.25	37	<b>4.08</b>	18.04	(81)
Realized gain (loss) on commodity contracts	<b>(1.27)</b>	(2.73)	(53)	<b>(3.09)</b>	(0.83)	272
Operating Netback <sup>2</sup>	<b>11.99</b>	5.52	82	<b>0.99</b>	17.21	(98)

1) Natural gas production includes internally consumed natural gas primarily used in power generation.

2) See "Non-IFRS and other financial measures".

3) Excludes production enhancement expenses incurred in the period.

### 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, and producing oil and gas from 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 currently trades on TSX Venture Exchange under the ticker "RZE.V".

[www.razor-energy.com](http://www.razor-energy.com)

### About Blade

Blade Energy Services is a subsidiary of Razor. Operating in west central Alberta, Blade's primary services include fluid hauling, road maintenance, earth works including well site reclamation and other oilfield services.

[www.blade-es.com](http://www.blade-es.com)

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### ***FORWARD-LOOKING STATEMENTS:***

This press release may contain certain statements that may be deemed to be forward-looking statements. Such statements relate to possible future events, including, but not limited to, the Company's objectives and anticipated results, including execution of production enhancement programs. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "estimate", "potential", "will", "should", "continue", "may", "objective" and similar expressions. The forward-looking statements 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 approvals, the timely performance by third-parties of contractual obligation, 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 prevailing commodity prices, price volatility, price differentials and the actual prices received for the Company's products. 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 and geothermal electricity projects 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; variability in geothermal resources; as the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), electricity and commodity price and exchange rate fluctuations, changes in legislation affecting the oil and gas and geothermal industries and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. In addition, the Company cautions that COVID-19 or other global pandemics may have a material adverse effect on global economic activity and worldwide demand for certain commodities, including crude oil, natural gas and NGL, and may continue to result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could continue to affect commodity prices, interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to the Company. The duration of the current commodity price volatility is uncertain. Please also refer to the risk factors identified in the most recent annual information form and management discussion and analysis of the Company which are available on SEDAR at [www.sedar.com](http://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.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Razor's prospective results of operations, sales volumes, including sale of inventory volumes, production and production efficiency, balance sheet, capital spending, cost reductions, operating efficiencies, investment infrastructure and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as a set forth in the above paragraph. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about Razor's future business operations. Razor disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein.

### **NON-IFRS AND OTHER FINANCIAL MEASURES**

This press release contains certain specified measure consisting of non-IFRS measures and non-IFRS financial ratios. Since these specified financial measures may not have a standardized meaning, they must be clearly defined and, where required, reconciled with their nearest IFRS measure. Accordingly, they may not be comparable to similar measures used by other companies.

## NET DEBT

Net debt is calculated as the sum of the long-term debt (includes AIMCo Term Loan, Arena Second Amended and Restated Term Loan and Promissory Notes) and lease obligations, less working capital (or plus working capital deficiency), with working capital excluding mark-to-market risk management contracts. Razor believes that net debt is a useful supplemental measure of the total amount of current and long-term debt of the Company.

<i>Reconciliation of net debt</i> (\$000's)	September 30, 2023	December 31, 2022
Long term debt	(529)	(632)
Long term lease obligation	(1,235)	(2,014)
	<b>(1,764)</b>	<b>(2,646)</b>
Less: Working capital		
Current assets	27,455	21,293
Exclude current liability commodity contracts	-	2,338
Current liabilities	(81,082)	(146,577)
	<b>(53,627)</b>	<b>(122,946)</b>
<b>Net debt</b>	<b>55,391</b>	<b>125,592</b>

## Adjusted operating expenses

Adjusted operating expenses are regular field or general operating costs that occur throughout the year and do not include production enhancement expenses. Management believes that removing the expenses related to production enhancements from total operating expenses is a useful supplemental measure to analyze regular operating expenses.

## Production enhancement expenses

Production enhancement expenses are expenses made by the Company to increase production volumes which are not regular field or general operating costs that occur throughout a year. Management believes that separating the expenses related to production enhancements is a useful supplemental measure to analyze the cost of bringing wells back on production and the related increases in production volumes.

## Reconciliation of Adjusted Operating expenses, Production Enhancement Expenses and Operating Expenses

(\$000's)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
<b>Operating expenses</b>	<b>15,626</b>	21,499	<b>52,648</b>	57,154
Production enhancement expenses	(769)	(2,588)	(4,039)	(8,935)
Other operating segments & elimination entries <sup>1</sup>	(787)	(481)	(1,953)	(481)
Adjusted operated expenses	<b>14,070</b>	18,430	<b>46,656</b>	47,738

1) Represents operating costs and intercompany eliminations on the Company's non-oil & gas production activities.

## Adjusted Net Operating Expenses

Adjusted net operating expenses equals adjusted operating expenses less net blending and processing income. Management considers adjusted net operating expenses an important measure to evaluate its operational performance.

(\$000's)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Adjusted operating expenses	<b>14,070</b>	18,430	<b>46,656</b>	47,738
Net blending and processing income	(885)	(577)	(1,540)	(1,691)
<b>Adjusted net operating expenses</b>	<b>13,185</b>	17,853	<b>45,116</b>	46,047

## NET BLENDING AND PROCESSING INCOME

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.

(\$000's)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Blending and processing income	927	873	1,999	2,692
Blending and processing expenses	(42)	(296)	(459)	(1,001)
<b>Net blending and processing income</b>	<b>885</b>	<b>577</b>	<b>1,540</b>	<b>1,691</b>

## OPERATING NETBACK

Operating netback is a measure that represents sales net of royalties and operating expenses. Management believes that operating netback is a useful supplemental measure to analyze operating performance and provide an indication of the results generated by the Company's principal business activities prior to the consideration of other income and expenses.

(\$000's)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Petroleum and natural gas sales <sup>1</sup>	24,173	35,137	70,545	109,637
Royalties	(4,518)	(10,128)	(13,968)	(28,001)
Adjusted net operating expenses	(13,185)	(17,853)	(45,116)	(46,047)
Production enhancement expenses	(769)	(2,588)	(4,039)	(8,935)
Transportation and treating expenses	(1,081)	(1,144)	(3,233)	(3,096)
Operating netback prior to realized derivative gain (loss)	4,620	3,424	4,189	23,558
Realized derivative gain (loss) on settlement	(443)	(1,135)	(3,158)	(1,003)
<b>Operating netback</b>	<b>4,177</b>	<b>2,289</b>	<b>1,031</b>	<b>22,555</b>

1) Natural gas production includes internally consumed natural gas primarily used in power generation and excludes certain intercompany eliminations.

## NON-IFRS AND FINANCIAL RATIOS

### OPERATING EXPENSES per BOE

Operating expenses per boe is consists of adjusted operating expenses per boe and production enhancement expenses per boe. Operating expense per boe is a useful supplemental measure to calculate the efficiency of its operating expenses on a per unit of production basis.

(\$/boe) <sup>1</sup>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
<b>Operating expenses per BOE</b>	<b>44.85</b>	50.61	<b>51.45</b>	46.79
Production enhancement expenses	(2.21)	(6.23)	(3.95)	(7.38)
Other corporate operating expenses & elimination entries <sup>2</sup>	(2.26)	-	(1.91)	-
<b>Adjusted operating expenses</b>	<b>40.38</b>	44.38	<b>45.59</b>	39.41

1) \$/boe amounts are calculated using production volumes.

2) Represents operating costs and intercompany eliminations on the Company's non-oil & gas production activities.

(\$/boe) <sup>1</sup>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Adjusted operating expenses	<b>40.38</b>	44.38	<b>45.59</b>	39.41
Net blending and processing income	<b>(2.54)</b>	(1.39)	<b>(1.50)</b>	(1.40)
<b>Adjusted net operating expenses per BOE</b>	<b>37.84</b>	42.99	<b>44.09</b>	38.01

1) \$/boe amounts are calculated using production volumes.

### **OPERATING NETBACK per BOE**

Operating netback per boe is used to calculate the results of Razor's operating efficiency of its petroleum and natural gas assets on a per unit of production basis. Net operating expense per boe is a useful supplemental measure to analyze operating performance and provide an indication of the results generated by the Company's principal business activities prior to the consideration of other income and expenses.

(\$/boe) <sup>1</sup>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Petroleum and natural gas sales	<b>69.38</b>	84.61	<b>68.93</b>	90.51
Royalties	<b>(12.97)</b>	(24.39)	<b>(13.65)</b>	(23.12)
Adjusted net operating expenses	<b>(37.84)</b>	(42.99)	<b>(44.09)</b>	(38.01)
Production enhancement expenses	<b>(2.21)</b>	(6.23)	<b>(3.95)</b>	(7.38)
Transportation and treating expenses	<b>(3.10)</b>	(2.75)	<b>(3.16)</b>	(2.56)
Operating net back per BOE before realized gain (loss)	<b>13.26</b>	8.25	<b>4.08</b>	18.04
Realized derivative gain (loss) on settlement	<b>(1.27)</b>	(2.73)	<b>(3.09)</b>	(0.83)
<b>Operating netback per BOE</b>	<b>11.99</b>	5.52	<b>0.99</b>	17.21

1) \$/boe amounts are calculated using production volumes.

### **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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