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RAZOR ENERGY CORP. ANNOUNCES SECOND QUARTER RESULTS

August 29, 2023 - Calgary, Alberta - Razor Energy Corp. ("Razor" or the "Company") (TSXV: RZE) announces its second 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 six months ended June 30, 2023 which are available on SEDAR at www.sedar.com and the Company's website 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.

RECAPITALIZATION TRANSACTION

On May 1, 2023, the Company announced a recapitalization transaction (the "Recapitalization Transaction") which closed on June 16, 2023. This recapitalization transaction included debt settlement ("Debt Settlement") and a rights offering to all holders of common shares in the capital of Razor ("Razor Common Shares") by way of a rights offering circular (the "Rights Offering"), pursuant to which:

- Razor disposed of 70% of its common share holdings in FutEra Power Corp. ("FutEra") and 100% of a class of newly created preferred shares in FutEra to settle $64.0 million of secured debt with Alberta Investment Management Corporation ("AIMCo"), on behalf of certain designated entities managed and advised by AIMCo;
- Razor retained a 30% common share position in FutEra (subject to further adjustment upon preferred share conversion); and
- FutEra is responsible for repayment of US$7.9 million of Razor's current senior secured debt owed to Arena Investors, LP ("Arena") under Razor's Amended and Restated Term Loan Agreement dated March 9, 2022 (the "Arena Debt").

No Razor Common Shares were issued as part of the Debt Settlement.

As a condition to the completion of the transactions contemplated by the Debt Settlement Agreement (as defined below), Razor completed a Rights Offering which closed on June 16, 2023 for gross proceeds of $8.0 million to re-accelerate production development. Razor commenced production enhancement activities in Q2 2023. The Recapitalization Transaction was successful in deleveraging Razor, reducing interest expense and provides an increased potential for transactions that would improve the oil and gas asset portfolio.

DEBT SETTLEMENT

On May 1 2023, the Company entered into a Debt Settlement Agreement (the "Debt Settlement Agreement") with AIMCo which closed on June 16, 2023. Pursuant to this Debt Settlement Agreement, AIMCo and the Company have agreed to the settlement of all obligations owing by Razor to AIMCo under the AIMCo Term Loan through the transfer to AIMCo of equity interests held by Razor in its previously wholly-owned, non-listed subsidiary, FutEra.

As at June 16, 2023, Razor settled all outstanding indebtedness owed to 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. In addition, in accordance with the Debt Settlement Agreement, the Company conducted a rights offering to all holders of Razor Common Shares by way of a rights offering circular (the "Rights Offering") which closed on June 16, 2023.

RIGHTS OFFERING

On May 9, 2023, the Company announced the Rights Offering to eligible holders of its common shares (the "Common Shares") of record at the close of business on May 16, 2023 (the "Record Date"). This rights offering closed on June 16, 2023. A total of 20,249,985 rights were exercised, resulting in the issuance of 10,014,821 Common Shares and 10,014,821 Warrants for gross proceeds of $8.0 million.

Pursuant to the Rights Offering, each holder of Common Shares received one right (a "Right") for each one Common Share held. Each whole Right entitled the holder to subscribe for 0.494555 of a unit (a "Rights Unit"). Each Rights Unit consisted of one Common Share (a "Unit Share") and one transferable Common Share purchase warrant (a "Unit Warrant"). Each Unit Warrant entitled 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. Holders of Common Shares needed to exercise 2.022 Rights to acquire one Right Unit. A holder of Rights paid $0.80 (the "Subscription Price") to purchase one Right Unit.

OUTLOOK

Razor

Razor continues to look forward with plans for the future while remaining focused on its mid to long-term sustainability. Razor recognizes multiple deep value streams in its assets and is actively engaged in liberating them for the benefit of shareholders. The Company has an extensive opportunity set of high-quality wells requiring reactivation, many of which have payout metrics which exceed the Company's economic thresholds. Razor will continue production enhancement activity throughout 2023. Certain activities involve repairs and maintenance work which will be expensed for accounting purposes and operating netbacks will be reduced during this timeframe. In aggregate, the annual base decline of these wells is anticipated to be consistent with the Company's current corporate rate of approximately 12%. The Company continues to focus on cost control on its operated properties. In addition to the planned production enhancement program, Razor will take a cautious and case-by-case approach to capital spending in 2023, focusing on low risk, capital efficient opportunities to increase field efficiencies and corporate netbacks.

Razor has high reservoir quality, low decline, isolate carbonate Swan Hills reef light oil pools that contain large original oil in place with over 60 years of production history. Razor believes these reefs are ideally suited for open-hole horizontal development drilling upside.

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,		
($000s, except for per share amounts and production)	**2023**	2022	% Change	**2023**	2022	% Change
Production						
Light oil (bbl/d)	**2,091**	2,619	(20)	**2,265**	2,724	(16)
Natural gas (mcf/d)[1]	**5,765**	4,907	17	**6,003**	4,630	29
NGLs (boe/d)	**396**	904	(56)	**463**	903	(48)
Total (boe/d)	**3,448**	4,340	(20)	**3,729**	4,398	(15)
Sales Volumes						
Light oil (bbl/d)	**2,122**	2,597	(18)	**2,264**	2,736	(17)
Natural gas (mcf/d)[1]	**6,363**	4,514	40	**5,960**	4,211	41
NGLs (boe/d)	**373**	904	(58)	**480**	903	(46)
Total (boe/d)	**3,556**	4,253	(16)	**3,737**	4,340	(13)
Oil inventory volumes (bbls)	**9,861**	13,009	(24)	**9,861**	13,009	(24)
Financial						
Oil and NGL sales	**19,164**	36,624	(47)	**43,039**	69,548	(38)
Natural gas sales	**1,578**	3,242	(51)	**3,333**	4,952	(32)
Blending and processing income	**562**	916	(38)	**1,072**	1,819	(41)
Other revenue	**344**	521	(33)	**940**	1,003	(6)
Total Revenue	**21,648**	41,303	(47)	**48,384**	77,322	(37)
Cash flow from (used in) operating activities	**1,521**	1,315	15	**6,225**	3,719	67
Funds flow[2]	**(2,920)**	5,747	(150)	**(4,677)**	15,541	(130)
Adjusted funds flow[2]	**(2,496)**	5,928	(142)	**(4,184)**	15,473	(127)
Net income (loss) – continuing operations	**57,320**	(2,002)	2,963	**49,178**	(2,755)	1,885
Per share – basic and diluted	**2.14**	(0.08)	2,775	**1.89**	(0.11)	1,818
Net income (loss)	**57,970**	(2,278)	2,644	**49,571**	(3,054)	1,724
Per share – basic and diluted	**2.16**	(0.09)	2,500	**1.90**	(0.13)	1,562
Common shares outstanding, end of period	**35,290**	25,275	40	**35,290**	25,275	40
Weighted average, basic	**26,816**	24,392	10	**26,050**	23,856	10
Weighted average, diluted[4]	**26,816**	24,392	10	**26,050**	23,856	10
Total Assets	**183,518**	197,980	(10)	**183,518**	197,980	(10)
Cash	**4,062**	2,971	37	**4,062**	2,971	37
Total debt	**21,610**	82,718	(73)	**21,610**	82,718	(73)
Net debt[2]	**55,801**	99,617	(43)	**55,801**	99,617	(43)
Netback ($/boe)[2]						
Oil and gas sales	**66.10**	100.94	(35)	**68.70**	93.59	(26)
Royalties	**(11.39)**	(25.93)	(56)	**(14.00)**	(22.45)	(37)
Adjusted net operating expenses[2 3]	**(48.49)**	(37.88)	28	**(47.31)**	(35.42)	33
Production enhancement expenses[2]	**(10.42)**	(8.45)	23	**(4.85)**	(7.97)	(39)
Transportation and treating	**(2.66)**	(2.52)	6	**(3.19)**	(2.45)	30
Operating Netback prior to Realized Gain (Loss)	**(6.87)**	26.16	(138)	**(0.64)**	25.30	(102)
Realized gain (loss) on commodity contracts	**(2.68)**	(1.26)	113	**(4.02)**	0.17	(2,464)
Operating Netback[2]	**(9.55)**	24.90	(138)	**(4.66)**	25.47	(118)

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.
4) The Company uses the weighted average common shares (basic) when there is a net loss for the period to calculate net income (loss) per share diluted.

SECOND QUARTER OPERATIONAL UPDATE

Production volumes in Q2 2023 averaged 3,448 boe/d, a decrease of 21% from Q2 2022 volumes of 4,340 boe/d and represents a 14% decrease from Q1 2023 of 4,013 boe/d. Production volumes averaged 3,729 boe/d for the six months ended June 30, 2023, a decrease of 15% from the same period in the prior year (six months ended June 30, 2022 – 4,398 boe/d). Highlights of the changes in production volumes are as follows:

- **Swan Hills** – production volumes decreased 23% for Q2 2023 as compared to Q2 2022 and decreased 22% as compared to Q1 2023. Production volumes decreased 20% for the six months ended June 30, 2023 as compared to the same period in the prior year. The decrease in production volumes for both the three and six months ended June 30, 2023, is the result of decreased non-operated production as a result of infrastructure that went offline in the second half of 2022, limited workover activity, as well as the impact of wildfires throughout Q2 2023 which also impacted production as compared to the first quarter of 2023.
- **Kaybob** – production volumes decreased 16% for Q2 2023 as compared to Q2 2022 and were consistent with Q1 2023. Production volumes decreased 6% for the six months ended June 30, 2023 as compared to the same period in the prior year. The decrease in production volumes for the three and six months ended June 30, 2023 was the result of the timing of the Company's 2022 reactivation program which increased production in the second half of 2022 and into 2023. The Company's 2023 reactivation program commenced in June 2023.
- **Southern Alberta** – production volumes decreased 15% for Q2 2023 as compared to Q2 2022 and decreased 16% from Q1 2023. Production volumes decreased 4% for the six months ended June 30, 2023 as compared to the same period in the prior year. The decrease in production volumes for the three and six months ended June 30, 2023 was the result of a minor property disposition in Q2 2023 partially offset by the impact of the Company's 2022 reactivation program which increased production in the second half of 2022 and into 2023.

Adjusted net operating expenses increased $0.3 million or 2% on a total dollar basis and increased 28% on a per boe basis in Q2 2023 compared to the same period in 2022. The increase in the adjusted net operating expense on a total dollar basis was due to increased operating costs associated with environmental activities as well as higher utility costs related to the increase in the AESO pool price by 29% as compared to the same period in the prior year partially offset by lower variable costs associated with decrease in production. Operating costs increased on a per boe basis as a result of this increase in operating costs combined with lower production volumes for Q2 2023.

For the six months ended June 30, 2023, adjusted net operating expense increased 13% on a total dollar basis and increased 37% on a per boe basis as compared to the six months ended June 30, 2022. The increase in the adjusted net operating expense on a total dollar basis was due to increased operating costs associated with environmental activities as well as higher utility costs related to the increase in the AESO pool price by 41% as compared to the same period in the prior year partially offset by lower variable costs associated with decreased production. Operating costs increased on a per boe basis as a result of this increase in operating costs combined with lower production volumes for 2023.

The primary factors affecting operating costs on a $/boe basis are production levels, workover activity and electricity pricing. Inherent within the Company's hydrocarbon operations is a prominent fixed cost element, or those costs that are not correlated to production levels. On a relative basis these costs are higher with lower production. Razor's reactivation program took place throughout 2022 and resumed in June 2023.

CAPITAL EXPENDITURES

During Q2 2023, Razor invested $1.0 million in the Swan Hills Geothermal Power Project, executed pipeline work of $0.2 million and spent $0.2 million on facilities. During the six months ended June 30, 2023, the Company invested $2.0 million on its Swan Hills Geothermal Power Project, executed pipeline work of $0.6 million, spent $0.4 milion on facilities and $0.4 million on turnarounds.

On June 29, 2023, the Company disposed of non-operated, non-core Enchant area assets for proceeds of $3.5 million. The disposition consisted of petroleum and natural gas properties with a net book value (net of decommissioning obligations) of $2.3 million resulting in a $1.2 million gain on disposition.

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

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

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READER ADVISORIES

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 the potential benefits and effects of the Recapitalization Transaction on Razor, the Company's capital program and other activities; restarting wells; and 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. 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.

FUNDS FLOW AND ADJUSTED FUNDS FLOW
Funds Flow

Management utilizes funds flow as a useful measure of Razor's ability to generate cash not subject to short-term movements in non-cash operating working capital. As shown below, funds flow is calculated as cash flow from operating activities excluding change in non-cash working capital.

Adjusted funds flow

Management utilizes adjusted funds flow as a key measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, and capital expenditures. As shown below, adjusted funds flow is calculated as funds flow excluding purchasing of commodity contracts, and decommissioning expenditures since Razor believes the timing of collection, payment or incurrence of these items involves a high degree of discretion and variability. Expenditures on decommissioning obligations vary from period to period depending on the maturity of the Company's operating areas and availability of adjusted funds flow and are viewed as part of the Company's capital budgeting process.

The following table reconciles cash flow from operating activities, funds flow and adjusted funds flow:

	Three Months Ended June 30,		Six Months Ended June 30,	
($000's)	**2023**	**2022**	**2023**	**2022**
Cash flow from (used in) operating activities	**1,521**	1,315	**6,225**	3,719
Changes in non-cash working capital	**(4,441)**	4,432	**(10,902)**	11,795
Funds flow	**(2,920)**	5,747	**(4,677)**	15,541
Decommissioning costs incurred	**215**	127	**215**	445
Purchase (sale) of commodity contracts	**209**	54	**278**	(486)
Adjusted funds flow	**(2,496)**	5,928	**(4,184)**	15,473

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.

Reconciliation of net debt	**June 30,**	**December 31,**
($000's)	**2023**	**2022**
Long term debt	**(13,893)**	(632)
Long term lease obligation	**(2,018)**	(2,014)
	(15,911)	(2,646)
Less: Working capital		
Current assets	**26,268**	21,293
Exclude current liability commodity contracts	**49**	2,338
Current liabilities	**(66,207)**	(146,577)
	(39,890)	(122,946)
Net debt	**55,801**	125,592

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

	Three Months Ended June 30,		Six Months Ended June 30,	
($000's)	**2023**	**2022**	**2023**	**2022**
Operating expenses	**19,207**	18,333	**37,022**	35,655
Production enhancement expenses	**(3,270)**	(3,337)	**(3,270)**	(6,347)
Other operating segments & elimination entries[1]	**(279)**	-	**(1,166)**	-
Adjusted operated expenses	**15,658**	15,496	**32,586**	29,308

1) Represents operating costs and intercompany eliminations on the Company's non-oil & gas production activities. Please see segment reporting section of MD&A for additional details.

Adjusted Net Operating Expenses

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

	Three Months Ended June 30,		Six Months Ended June 30,	
($000's)	**2023**	**2022**	**2023**	**2022**
Adjusted operating expenses	**15,658**	15,496	**32,586**	29,308
Net blending and processing income	**(440)**	(535)	**(655)**	(1,114)
Adjusted net operating expenses	**15,218**	14,961	**31,931**	28,194

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.

	Three Months Ended June 30,		Six Months Ended June 30,	
($000's)	**2023**	**2022**	**2023**	**2022**
Blending and processing income	**562**	916	**1,072**	1,819
Blending and processing expenses	**(122)**	(381)	**(417)**	(705)
Net blending and processing income	**440**	535	**655**	1,114

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.

	Three Months Ended	June 30,	Six Months Ended	June 30,
($000's)	**2023**	**2022**	**2023**	**2022**
Petroleum and natural gas sales[1]	**20,742**	39,866	**46,372**	74,500
Royalties	**(3,575)**	(10,241)	**(9,450)**	(17,873)
Adjusted net operating expenses	**(15,218)**	(14,961)	**(31,931)**	(28,194)
Production enhancement expenses	**(3,270)**	(3,337)	**(3,270)**	(6,347)
Transportation and treating expenses	**(835)**	(995)	**(2,152)**	(1,952)
Operating netback prior to realized derivative gain (loss)	**(2,156)**	10,332	**(431)**	20,134
Realized derivative gain (loss) on settlement	**(841)**	(496)	**(2,715)**	132
Operating netback[2]	**(2,997)**	9,836	**(3,146)**	20,266

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

2) Please see segment reporting section of MD&A for additional details.

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.

	Three Months Ended	June 30,	Six Months Ended	June 30,
($/boe)[1]	**2023**	**2022**	**2023**	**2022**
Operating expenses per BOE	**61.21**	47.69	**54.85**	44.79
Production enhancement expenses	**(10.42)**	(8.45)	**(4.85)**	(7.97)
Other corporate operating expenses & elimination entries[2]	**(0.89)**	-	**(1.73)**	-
Adjusted operating expenses	**49.90**	39.24	**48.28**	36.82

1) $/boe amounts are calculated using production volumes

2) Represents operating costs and intercompany eliminations on the Company's non-oil & gas production activities. See segmented reporting section of the MD&A.

	Three Months Ended	June 30,	Six Months Ended	June 30,
($/boe)[1]	**2023**	**2022**	**2023**	**2022**
Adjusted operating expenses	**49.90**	39.24	**48.28**	36.82
Net blending and processing income	**(1.40)**	(1.36)	**(0.97)**	(1.40)
Adjusted net operating expenses per BOE	**48.49**	37.88	**47.31**	35.42

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.

	Three Months Ended		Six Months Ended	
		June 30,		June 30,
($/boe)[2]	**2023**	**2022**	**2023**	**2022**
Petroleum and natural gas sales[1]	**66.10**	100.94	**68.70**	93.59
Royalties	**(11.39)**	(25.93)	**(14.00)**	(22.45)
Adjusted net operating expenses	**(48.49)**	(37.88)	**(47.31)**	(35.42)
Production enhancement expenses	**(10.42)**	(8.45)	**(4.85)**	(7.97)
Transportation and treating expenses	**(2.66)**	(2.52)	**(3.19)**	(2.45)
Operating net back per BOE before realized gain (loss)	**(6.87)**	26.16	**(0.64)**	25.30
Realized derivative gain (loss) on settlement	**(2.68)**	(1.26)	**(4.02)**	0.17
Operating netback per BOE	**(9.55)**	24.90	**(4.66)**	25.47

1) Please see segment reporting section of MD&A for additional details.
2) $/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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.