



Raise Production Inc. and Cleantek Industries Inc. Announce Business Combination and \$10.0 Million Equity Financing
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CALGARY, Alberta, July 12, 2021 (GLOBE NEWSWIRE) -- Raise Production Inc. (TSXV: RPC) ("**Raise**" or the "**Company**") and Cleantek Industries Inc. ("**Cleantek**") are pleased to announce that they have entered into an arrangement agreement dated July 12, 2021 whereby Raise and Cleantek will complete a business combination pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) (the "**Transaction**").

Commenting on the Transaction, Cleantek's CEO Jesse Curlett said, "We are excited to be taking Cleantek public through an RTO of Raise and look forward to continuing to be able to grow our hydro-sustainable business with a focus on ESG and generating shareholder returns." Rick McHardy, Director of Raise and proposed Director of the Resulting Issuer (as defined below) added, "Cleantek's focus on delivering patented, sustainable technologies to a broad customer base across North America, is an excellent fit with Raise and we are thrilled to support this transaction."

Summary of the Plan of Arrangement and Related Transactions

Pursuant to the Transaction, the Company (which is incorporated under the *Business Corporations Act* (Alberta)) will remain listed on the TSX Venture Exchange ("**TSX-V**") and will carry on the combined business of Raise and Cleantek under the name "Cleantek Industries Inc." (the "**Resulting Issuer**") as a Tier 1 Technology issuer under the policies of the TSX-V. The Transaction constitutes an arm's length "reverse takeover" of the Company pursuant to Policy 5.2 of the TSX-V. Raise will acquire each issued and outstanding common share of Cleantek (a "**Cleantek Share**") in exchange for the issuance of 58.3 common shares of Raise ("**Raise Shares**") at a deemed issue price of \$0.03 per Raise Share. Following completion of the Transaction but prior to the completion of any concurrent private placement as discussed below, shareholders of Raise will hold approximately 15% of the Resulting Issuer with shareholders of Cleantek holding the remaining approximately 85%.

In conjunction with the entering into the Transaction, Cleantek has entered into an agreement with a syndicate of investment dealers (the "**Agents**") led by Eight Capital, and including Echelon Wealth Partners, Cormark Securities Inc. and Raymond James Ltd. for a brokered private placement offering of subscription receipts of Cleantek (the "**Subscription Receipts**") on a best-efforts agency basis at a price of \$1.75 per Subscription Receipt for aggregate gross proceeds of a minimum of \$10.0 million (the "**Financing**"). The Financing is expected to close on or about August 31, 2021. The terms of the Financing are outlined below under the header "Brokered Financing".

Overview of Cleantek

Cleantek is a clean energy technology company focused on hydro-sustainability with operations across North America. Cleantek has developed and commercialized its patented wastewater dehydration technology, the ZeroE, which it rents to its customers for use at gas processing facilities and on drilling rigs. Cleantek's ZeroE technology separates wastewater into (i) clean water which is evaporated and returned to the natural hydrological cycle and (ii) concentrated brine which is disposed of using traditional means. The ZeroE technology is powered by the waste heat generated from the engine exhaust of gas plants and drilling rigs. The key benefits of Cleantek's ZeroE technology include:

- 90% reduction in wastewater disposal volumes thereby substantially reducing wastewater disposal costs for its clients;
- Each ZeroE unit recycles approximately 10 million litres of water per year to the natural hydrological cycle;
- Material reduction in carbon emissions for its clients; and
- Each ZeroE unit eliminates approximately 350 trucks per year from the local roadways thereby improving

safety on site and in the local community.

In addition, Cleantek has a suite of patented SolarHybrid and HALO lighting technology systems that service the energy, industrial, construction, and agricultural markets.

Funds controlled by PillarFour Capital Partners Inc., a private investment fund focused on technology investments that enhance sustainability and reduce carbon intensity in oilfield operations and is arm's length to Cleantek, hold approximately 41% of the Cleantek Shares.

Lyle Wood, through Lyle Wood Contracting Ltd., holds approximately 18% of the Cleantek Shares.

Certain financial information in respect of Cleantek for the year ended December 31, 2020 and the three months ended March 31, 2021 are provided below:

	Three months ended
	March 31, 2021
	<i>(Unaudited)</i>
Assets	\$22,512,969
Liabilities	\$20,408,880
Revenues	\$2,436,686
Net Profit (Loss)	\$(764,232)

Overview of Raise

Raise is a TSX-V listed company existing under the laws of the Province of Alberta and is based in Calgary, Canada. The Company is an innovative oilfield service company that focused on the production service sector, utilizing its proprietary products to enhance and increase ultimate production in both conventional and unconventional oil and gas wells. Its suite of patented pumping solutions, including HARP™, REAL™ and HART™, are effective at up to 90 degrees in order to maximize drawdown, pump efficiency and pump life.

Rick McHardy and Al Stark hold approximately 13% and 11% of the Raise Shares, respectively.

Support Agreements

All of the directors and executive officers of Cleantek and certain shareholders of Cleantek (collectively, the "**Cleantek Supporting Shareholders**"), collectively holding approximately 70% of the issued and outstanding Cleantek Shares, have entered into voting support agreements (the "**Voting Support Agreements**"). All of the directors and executive officers of Raise and certain shareholders of Raise (collectively, the "**Raise Supporting Shareholders**"), collectively holding approximately 44% of the issued and outstanding Raise Shares, have entered into Voting Support Agreements. Pursuant to the Voting Support Agreements, the Cleantek Supporting Shareholders and Raise Supporting Shareholders have agreed, among other things, to vote all of their Shares in favour of the Transaction at each of the special meetings of holders of Cleantek Shares and Raise Shares to be held to consider the Transaction, and to otherwise support the Transaction, subject to the provisions of such Voting Support Agreements.

Board of Directors and Management of Resulting Issuer

The board of the Resulting Issuer will be as follows:

Richard F. McHardy, Director

Richard F. McHardy has been a founder of several public oil and gas companies and has extensive experience in leadership roles. Mr. McHardy is currently on the board of Raise, is the Executive Chairman of Spartan Delta Corp., was President, Chief Executive Officer and a director of Spartan Energy, Spartan Oil and Spartan Exploration. Previously, Mr. McHardy was the President and a director of Titan Exploration Ltd. ("**Titan**"). In addition, Mr. McHardy has served as a board member of, and as corporate secretary to, a number of other public and private companies. Prior to founding Titan, Mr. McHardy was a partner at one of Canada's largest national law firms, where he practiced securities and corporate law. Mr. McHardy has over 26 years of experience in all aspects of securities and mergers and acquisitions.

Paul Colucci, Director

Mr. Colucci is a co-founder and Managing Partner at PillarFour Capital. Mr. Colucci is based in PillarFour Capital's London, UK office and currently serves on a number of private company boards, including as a board observer at

Cleantek. Mr. Colucci has over 20 years experience investing and advising in the Energy and Technology sectors and was formerly the founder & CEO of Dundee Corp's European Office (London) and Co-Head of the firm's Global Energy Advisory group. Mr. Colucci began his career as an investment banker in Canada covering the North American Energy and TMT sectors before moving to London in 2006 to head the European investment banking divisions of Stifel Nicolaus and its predecessors, Thomas Weisel Partners and Westwind Partners.

Reginald Greenslade, Director

Mr. Greenslade is an independent businessman and currently a director of Spartan Delta Corp. Reg is a former director and committee member of numerous public issuers, including Spartan Energy, Spartan Oil and Spartan Exploration. Mr. Greenslade has held senior executive positions with a number of public and private issuers, including roles as Chairman, President and Chief Executive Officer of Big Horn Resources Ltd., Enterra Energy Corp., Enterra Energy Trust, JED Oil Inc. and as President and a director of Tuscany International Drilling Inc.

Al Stark, Director

Mr. Stark has served as a director of Raise since September 2019 and was a founder and Vice President Operations of Spartan from December 2013 until the sale to Vermilion Energy Inc. on in May, 2018 for approximately \$1.4 billion. He was also a founder and Vice President Operations of Spartan Oil and Spartan Exploration through to their successful sale transactions. He was also a founder and V.P. Engineering and Operations and Chief Operating Officer of Titan until its acquisition by Cantec Resources Trust. Mr. Stark holds a Bachelors of Mechanical Engineering and a Masters of Chemical and Petroleum Engineering. He has over 29 years of experience in the oil and gas industry. His experience includes roles in Production, Reservoir and Exploitation Engineering as well as Drilling, Completions and Field Operations. His early career was with Amoco Canada Corp., Northstar Energy Corp. and Devon Canada Corp.

Phillip Knoll, Director

Mr. Knoll is currently a director of Cleantek. Mr. Knoll has over 35 years of varied experience in the energy sector, primarily related to energy infrastructure businesses and the natural gas value chain and currently serves as an independent director of AltaGas Ltd. Mr. Knoll is President of Knoll Energy Inc and an independent director of AltaGas Ltd. and Headwater Exploration Inc. Mr. Knoll previously served as interim co-CEO of AltaGas Ltd. and was CEO of Corridor Resources from 2010 to 2014. Mr. Knoll was a director of AltaGas Utility Group Inc. from 2005 to 2009, which sold to AltaGas Income Trust in 2009. Mr. Knoll also served as Group Vice President for Duke Energy Gas Transmission, and Chair, Management Committee and President for Maritimes & Northeast Pipeline. In addition, Mr. Knoll has also held senior roles at Westcoast Energy Inc., TC Energy and Alberta Natural Gas Company Ltd.

Chris Lewis, Director

Mr. Lewis is currently a director of Cleantek and sits on the Advisory Board of PillarFour Capital. Mr. Lewis has over 20 years experience in the utility and water sectors and is currently Vice President of Smart Energy Water, a provider of SaaS based cloud solutions to energy, water, and gas providers. Mr. Lewis also serves on the advisory board of The Popular Company, a market, consumer, and stakeholder analytics company. Previously, Mr. Lewis served as COO of Attabotics from 2018 to 2020, a manufacturer of robotic storage and retrieval systems used in large facilities.

The management team of the Resulting Issuer will be as follows:

Jesse Curlett, Chief Executive Officer & Director

Mr. Curlett was a founder of Cleantek in 2010 and was the former VP Operations up until December 2019 when he was appointed to CEO. Mr. Curlett has approximately sixteen years of industry experience, previously working with Cenovus Energy Beaver Drilling and Akita Drilling between 2005 and 2012. Mr. Curlett was a finalist for the EY Entrepreneur of the Year 2016 Awards in the Prairies.

Matt Gowanlock, President

Mr. Gowanlock is a co-founder and former CEO of Apollo Energy Service, a lighting solutions company which was acquired by Cleantek in 2018. Prior to, Mr. Gowanlock served as President of Streamline Energy Services, General Manager at Filterboxx Water & Environmental, Director of Field Operations at Genalta Power and President of Aithra Projects. Mr. Gowanlock has approximately eighteen years of management experience and holds a Master Electrician Diploma from NAIT.

Susan Scullion, Interim CFO & Corporate Secretary

Ms. Scullion currently serves as CFO & Corporate Secretary of Raise Production. It is the intention of the parties that Ms. Scullion will serve as CFO & Corporate Secretary of the Resulting Issuer on an interim basis. Ms. Scullion also serves as CFO of Tudor, Pickering, Holt & Co., an energy investment and merchant banking firm, a role she has held since 2018, and most recently the CFO of Sandstone Asset Management Inc., a wealth management firm based in Calgary. Prior to joining Raise in 2013, Ms. Scullion spent nine years working with investment firms in Calgary, including AltaCorp Capital Inc. as CFO, and Mackie Research Capital Corp. as Senior Vice President.

Brokered Financing

In conjunction with the closing of the Transaction, Cleantek has entered into an agreement with a syndicate of Agents led by Eight Capital in respect of the Financing. The Financing is expected to close on or about August 31, 2021. Each Subscription Receipt will be exchangeable into one unit of Cleantek (each, a "**Unit**") without any further action required on the part of the holder of the Subscription Receipt and without payment of any additional consideration, concurrently with closing of the Transaction and will participate with all other holder of Cleantek Shares in the Transaction. Each Unit shall be comprised of one Cleantek Share and one half of one Cleantek Share purchase warrant (each whole warrant, a "**Warrant**"). Each whole Warrant shall entitle the holder thereof to purchase one Cleantek Share at an exercise price of \$2.25 at any time up to 36 months from the closing of the Transaction; provided that if, at any time prior to the expiry date of the Warrants, the volume weighted average trading price of the common shares of the Resulting Issuer on the TSX-V, or other principal exchange on which the shares are listed, is greater than \$3.50 for 10 consecutive trading days, the Resulting Issuer may deliver a notice to the holders of Warrants accelerating the expiry date of the Warrants to the date that is 30 days following the date of such notice.

The gross proceeds from the Financing will be held in escrow pending the completion of the Transaction, which is expected to close on or around September 30, 2021. If all conditions to the completion of the Transaction are satisfied on or before October 31, 2021, the net proceeds from the sale of the Subscription Receipts will be released from escrow to Cleantek and each Subscription Receipt will be exchanged for one Unit and the holders thereof will participate with all other holder of Cleantek Shares and Warrants in the Transaction. If the Transaction is not completed on or before October 31, 2021, or is terminated at an earlier time, then the purchase price for the Subscription Receipts will be returned to subscribers, together with a pro rata portion of interest earned on the escrowed funds, if any.

The Agents will receive a cash fee of 6% of the gross proceeds raised from the Financing and broker warrants in an amount equal to 6% of the number of Subscription Receipts issued in the Financing, with each such warrant having a term of 24 months and an exercise price of \$1.75.

The net proceeds of the Financing will be used for general corporate purposes, including capex related to the build out of additional ZeroE and HALO lighting units and the repayment of certain existing indebtedness of Cleantek. Completion of the Financing is a condition precedent to the completion of the Transaction. In the event Cleantek is unable to complete the Financing on satisfactory terms, Cleantek and Raise will be unable to complete the Transaction.

Cleantek and Raise intend to issue a press release disclosing further information about the Financing once such information is available.

The Transaction

Pursuant to the Transaction:

- (i) subject to the terms of the Arrangement Agreement, each holder of Cleantek Shares shall be deemed to have exchanged such Cleantek Shares for Raise Shares and shall receive 58.3 Raise Shares for each Cleantek Share held by such shareholder;
- (ii) each Cleantek option or purchase warrant holder entitling a holder thereof to acquire one Cleantek Share, that is not exercised immediately prior to closing of the Transaction, shall remain outstanding and be adjusted in accordance with paragraph (i) above;
- (iii) Cleantek and Raise will amalgamate and continue as one corporation; and
- (iv) the Transaction shall be completed.

Completion of the Transaction is subject to the satisfaction of a number of conditions, including, but not limited to: (i) completion of the Financing for minimum gross proceeds of not less than \$10.0 million; (ii) receipt of Court, and Raise and Cleantek shareholder, approval of the Transaction; (iii) satisfaction or waiver of all of the conditions to the closing of the Transaction, other than those which shall be satisfied under the Plan of Arrangement; (iv) receipt of TSX-V conditional approval for the Transaction and the issuance of Raise Shares pursuant to the

Transaction; (v) the completion by the Company of a consolidation of its share capital on a 58.3 for one basis; and (vi) receipt of all regulatory, governmental and third party approvals required prior to completion.

Eight Capital is acting as financial advisor to Cleantek. Eight Capital has provided a formal opinion that, subject to the assumptions and limitations upon which the opinion is based, the consideration to be received by the Cleantek Shareholders pursuant to the terms of the Transaction is fair, from a financial point of view, to the Cleantek Shareholders.

After considering relevant matters including the effects of the Transaction on the Raise Shareholders and other stakeholders of Raise, the board of directors of Raise has unanimously determined that the Transaction is in the best interests of Raise and fair to the Raise Shareholders.

Further details in respect of the Transaction, the Financing, Cleantek, Raise and the Resulting Issuer will be included in the management information circular to be prepared and filed with the TSX-V in respect of the Raise shareholder meeting, and in subsequent news releases and other public filings.

A waiver is being sought from the TSX-V's requirement for a sponsor to be retained in connection with the Transaction.

Trading Halt

Trading in the Raise Shares has been halted as of July 12, 2021 and will remain halted pending the satisfaction of all applicable requirements pursuant to Policy 5.2 of the TSX-V.

Reader Advisory

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Raise should be considered highly speculative.

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release. The TSX Venture Exchange Inc. does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release contains certain "forward looking statements" including, for example, statements relating to the completion of the Transaction and Financing and the Resulting Issuer's anticipated share capital. Such forward-looking statements involve risks and uncertainties, both known and unknown. The results or events depicted in these forward-looking statements may differ materially from actual results or events. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding and are implicit in, among other things: receipt of regulatory approvals, the Company's ability to complete the Transaction and Financing, the state of the capital markets, the impact of the COVID-19 pandemic, the ability of the Resulting Issuer to successfully manage the risks inherent in pursuing business opportunities in the mining industry, and the ability of the Resulting Issuer to obtain qualified staff, equipment and services in a timely and cost efficient manner to develop its business. Any forward-looking statement reflects information available to the Company as of the date of this news release and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise.

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