



## RAISE PRODUCTION INC. ANNOUNCES ACQUISITION OF CONSULTING BUSINESS

**Calgary, Alberta – September 4, 2019** – Raise Production Inc. ("**Raise**" or the "**Company**") (TSXV: RPC), is pleased to announce that it has agreed to acquire 1955554 Alberta Ltd. (the "**Business**"), an arm's length private consulting company (the "**Acquisition**") on the terms and conditions set forth in the agreement between the Company and the Business dated September 4, 2019. The Business provides strategic advisory services to the energy industry. The total consideration for the shares of the Business will be approximately \$1.4 million, which will be satisfied through the issuance of senior secured convertible debentures of the Company (the "**Debentures**"). Raise will not be assuming any long term debt of the Business in connection with the Acquisition. As part of the Acquisition, Richard McHardy and Al Stark (the "**New Directors**"), the Chief Executive Officer and Chief Operating Officer of the Business, respectively, have agreed to join the board of directors of the Company (the "**Board**") and to provide consulting services to the Company, which services will include, without limitation, sourcing, evaluating and negotiating strategic alternatives, including investments, partnerships, joint ventures, acquisitions, divestitures and other forms of business combinations.

### The Debentures

The Debentures will have a coupon of 6.00% per annum, and will be convertible into units of the Company (each, a "**Unit**") at a conversion price of \$0.11 per Unit. The Debentures will mature and be repayable three years from the date of issue (the "**Maturity Date**"). The Debentures will be repaid in cash at maturity, subject to earlier conversion by a holder as described below.

Upon the 10-day volume weighted average trading price (the "**Market Price**") of the common shares of Raise (each, a "**Common Share**") equaling or exceeding \$0.18, the Debentures will, at the option of the holders or the Company, be convertible into Units at any time prior to the close of business on the business day immediately preceding the Maturity Date. Each Unit will be comprised of one Common Share and one Common Share purchase warrant (each, a "**Warrant**"). Each Warrant will entitle the holder to purchase one Common Share at a price of \$0.11 for a period of two years following the date of issuance. The Warrants will vest in three tranches every four months from the date of issuance, provided that the Market Price of the Common Shares has equaled or exceeded \$0.18 prior to the vesting date.

Concurrently with the Acquisition, certain directors, officers and other insiders of the Company will purchase Debentures (on the same terms as those issued pursuant to the Acquisition) on a private placement basis for aggregate proceeds to the Company of \$700,000 (the "**Offering**"). The proceeds of the Offering will be used for working capital and general corporate purpose. No finder's fees will be paid in connection with the Offering. The insiders are related parties of the Company pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), therefore the Offering may constitute a "related party transaction" within the meaning of MI 61-101. In its consideration and approval of the Offering, the board of directors of the Company determined that the Offering will be exempt from the formal valuation and minority approval requirements of MI 61-101 on the basis that the fair market value of the Offering to related parties is not expected to exceed 25% of the market capitalization of the Company, in accordance with Sections 5.5 and 5.7 of MI 61-101.

Completion of the Acquisition and the issuance of the Debentures is subject to customary closing conditions, including the approval of the TSX Venture Exchange (the "**TSXV**"). The completion of the Acquisition and the issuance of the Debentures is expected to occur on or about September 30, 2019.

### **The New Directors**

The New Directors have extensive experience in successfully founding, growing and monetizing private and public companies operating in the oil and gas industry. The New Directors' combined experience and expertise will provide the Company with invaluable guidance, mentorship and strategic advice.

#### **Richard McHardy**

Mr. McHardy has been a founder of several public companies and has extensive experience in leadership positions and over 24 years' experience in all aspects of securities and mergers and acquisitions. Mr. McHardy has been instrumental in a number of significant transactions including: (i) a founder and the President and Chief Executive Officer of Spartan Energy Corp. ("**Spartan**") from December 10, 2013 to May 28, 2018, when it was acquired for approximately \$1.4 billion by Vermilion Energy Inc.; (ii) a co-founder and the President and Chief Executive Officer of Spartan Oil Corp. ("**Spartan Oil**") from March 2011 to January 2013 when it completed a business combination with Bonterra Energy Corp. for a total transaction value of approximately \$480 million; (iii) a co-founder and the President and Chief Executive Officer of Spartan Exploration Ltd. ("**Spartan Exploration**"), from January 2008 to June 2011 when it completed an arrangement with a public senior oil and gas company in a transaction valued at approximately \$244 million; and (iv) a founder and the President of Titan Exploration Ltd. prior to its acquisition by Canetic Resources Trust for approximately \$116 million. Mr. McHardy has served as corporate secretary for a number of public companies and was a partner at McCarthy Tétrault LLP, where he practiced securities and corporate law.

#### **Al Stark**

Mr. Stark was a founder and Vice President Operations of Spartan from December 10, 2013 until the sale to Vermilion Energy Inc. on May 28, 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 Exploration Ltd. until its acquisition by Canetic 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.

Eric Laing, President and Chief Executive Officer of Raise said, "We are very pleased to welcome Rick McHardy and Al Stark to the Board at this transitional time in our development. Rick and Al bring strong, diverse skill sets to the Company and will provide proven experience as we steer a course to achieve shareholder value through our proprietary technology. Rick and Al both have a history of success in the public market sector and will provide consulting services as we seek appropriate strategic alternatives for the Company to pursue. Their expertise and broad vision are a very welcome and timely addition."

Upon completion of the Acquisition, the Company will issue to the New Directors an aggregate of three million stock options (the "**Options**"). The Options will be exercisable at a price of \$0.11 per Common Share for a period of 5 years.

### **About Raise**

The Company is an innovative oilfield technology company that focuses its efforts on the production service sector, utilizing its proprietary products to enhance and increase ultimate production in both conventional and unconventional oil and gas wells.

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### **Reader Advisory**

*The TSXV has in no way passed upon the merits of the above-described transactions and has neither approved nor disapproved of the contents of this press release.*

*Neither the TSXV nor the Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.*

### **Forward-Looking Statements**

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly, and without limitation, this news release contains forward looking statements and information concerning the completion of the Acquisition, the issuance of Debentures and Options, the appointment of the New Directors to the Board and the nature of the consulting services to be provided by the New Directors.

The forward-looking statements and information are based on certain key expectations and assumptions made by Raise, including expectations and assumptions concerning the timing of the receipt of the required regulatory and third-party approvals (including TSXV approval) and the satisfaction of other closing conditions in accordance with the terms of such definitive agreement. Although Raise believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Raise can give no assurance that they will prove to be correct. By its nature, such forward looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. Without limitation, these risks and uncertainties include: the parties being unable to obtain the required regulatory and third-party approvals, the failure to complete the issuance of the Debentures on satisfactory terms and adverse U.S., Canadian and global economic conditions. Raise undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

Completion of the Acquisition is subject to a number of conditions, including but not limited to, TSXV approval. There can be no assurance that the Acquisition will be completed as proposed or at all. Trading in the securities of Raise should be considered highly speculative.

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