

Little Rock Resources Ltd. Announces Strategic Business Combination

August 21, 2019 – Calgary, Alberta – Little Rock Resources Ltd. (“Little Rock” or the “Company”) and Razor Energy Corp. (“Razor”) (TSX-V:RZE) are pleased to announce that they have entered into a pre-acquisition agreement (the “Pre-Acquisition Agreement”) which provides for an offer by Razor (the “Offer”) to acquire all of the shares of Little Rock (the “Transaction”). Under the terms of the Pre-Acquisition Agreement, Little Rock shareholders will receive 0.45 of a Razor common share for each Little Rock share. The Pre-Acquisition Agreement includes a reciprocal break fee of \$500,000.

Razor is a publicly traded, western Canadian focused, oil and gas producer with approximate Q2 2019 production of 4,332 boe/d (87% light oil and liquids). Razors core assets are in the Swan Hills and Kaybob areas where it owns a high working interest in light oil and natural gas liquids production in the Beaverhill Lake and Triassic Montney formations. Razor has grown its production through acquisitions, well reactivations, downhole operations, injector conversions, waterflood optimization and pipeline and facility enhancements.

The Boards of Directors and executive management teams of both Razor and Little Rock believe that the Transaction will provide significant benefits to the shareholders of both companies. Shareholders of Little Rock are expected to benefit from an improved light oil-weighted growth profile, supported by the combined company’s stronger financial position which is better suited to fund the long-term development of the Little Rock assets. The acquisition of Little Rock gives Razor a second core area and better position to further consolidate oil and natural gas assets in southern Alberta.

“Bigger is always better in today’s oil and gas world and consolidation is the only way to survive. Little Rock has reviewed several acquisition opportunities with banks and private equity firms over the last three years and has found it challenging to consummate the right deal in today’s uncertain political and economic marketplace. Having AIMCO (the Alberta Investment Management Corporation) as the primary lender and largest shareholder of Razor increases Razor’s ability to sustain and grow in a downturn,” says Tom Greschner, Little Rock’s Chairman, President & CEO.

Razor offers diversification through investments in businesses that complement its oil and gas operations including a service company that completes abandonments and reclamations for Razor and other oil and gas companies. Razor is also using gas-to-electricity technologies to reduce its electricity costs and is experimenting with geothermal energy and could be a leading innovator in this field. The value attributed to these businesses has not been considered in the offer price but will continue to decrease operating expenditures and reward shareholders.

Upon completion of the Transaction, the combined company will have production of approximately 5,200 boe/d with 80% oil and natural gas liquids production and proved plus probable reserves of 24,942,000 boe and proved developed producing reserves of 14,342,000 boe, as of December 31, 2018. Combined future net revenues of proved plus probable reserves are \$325,000,000 and \$165,100,000 for proved developed producing reserves, discounted at 10% and before income taxes, as of December 31, 2018.

The Boards of Directors and executive management teams of each company have unanimously approved the transaction and recommend that Little Rock shareholders support the transaction. The Transaction is subject to customary closing conditions, including the acquisition by Razor of not less than 90% of the common shares of Little Rock, the TSX Venture Exchange and other regulatory approvals, and is expected to close on or about September 9, 2019.

Peters & Co. Limited acted as strategic advisor to the Board of Directors of Little Rock.

Advisory Regarding Forward-Looking Statements

This news release contains certain forward-looking information and statements, including anticipated reserves, production, future net revenue, composition of commodity mix and reserve life index, that involve substantial known and unknown risks, uncertainties, and assumptions certain of which are beyond Little Rock's control. Such risks, uncertainties, and assumptions include, without limitation, the anticipated closing date of the Transaction and the benefits of the Transaction, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. Little Rock's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that Little Rock will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to Little Rock or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. The forward-looking statements contained in this news release are made as at the date of this news release and Little Rock does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

In respect of the forward-looking information and statements concerning anticipated benefits and completion of the proposed Transaction and the anticipated timing for completion of the Transaction, Little Rock has provided such information and statements in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the time required to prepare and mail materials related to the Offer, the ability of Little Rock and Razor to each receive, in a timely manner, the necessary regulatory, court, stock exchange and other third party approvals,; the ability of each of Little Rock and Razor to satisfy, in a timely manner, the other conditions to the closing of the Transaction, including the deposit of a minimum of 90% of the shares of Little Rock to the Offer; and expectations and assumptions concerning, among other things: commodity prices and interest and foreign exchange rates; planned synergies, capital efficiencies and cost-savings; applicable tax laws; future production rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services. Other specific forward-looking statements contained in this news release such as estimated production levels on closing, are provided based on, among other assumptions described herein. To the extent that the proposed sales are not complete, such forward-looking statements may be materially inaccurate.

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