

**For Immediate Release**



**Raise Production Inc. Announces Second Quarter Results and Provides Operations Update**

CALGARY, Alberta – August 27, 2020 – Raise Production Inc. (TSX-V: RPC) ("Raise" or the "Company") has released its financial results for the three and six months ended June 30, 2020.

**PRESIDENT'S UPDATE**

The Company is pleased to provide an update to its shareholders on its financial results and recent activities related to its operations.

The Company has three systems that can be used independently or in combination in horizontal wellbores:

- 1) the High Angle Reciprocating Pump ("HARP™");
- 2) the Raise Efficient Artificial Lift ("REAL™") Horizontal Separator
- 3) the Horizontal Artificial Recovery Technology ("HART™").

**HARP™ (High Angle Reciprocating Pump)**

**Canada**

As stated in the Company's last press release dated May 28, 2020, visibility of the market remains unclear, however, after an extended break-up season Raise has commenced work for its regular customers and has also added two new customers who both have major holdings in Western Canada with one being one of the largest producers in Canada. The Company continues to receive increased interest and activity for its products although producers are still cautious on operating costs and budget restraints are a major factor.

New sales initiatives have yielded positive results with targeted advertising and emphasis on social media as well as educational webcasts and video postings. The Company will continue to pursue every method of communication with our existing and potential customers as continued restrictive social interactions remain in place.

**USA**

The USA market has also suffered from significant cuts to services and product demand in 2020 resulting in no additional sales to the Company's USA partner, Endurance Lift Solutions ("ELS") since December 2019. The Company continues to evaluate the situation in this area.

**REAL™ (Raise Efficient Artificial Lift)**

The Company continues to receive interest for its REAL™ Horizontal Separator and is currently in discussions with three companies regarding a REAL™ install.

## **HART™ (Horizontal Artificial Recovery Technology)**

The Company continues to pursue all available paths to bring this technology to the market and will update shareholders with updates as they occur.

## **STRATEGIC ALTERNATIVES INITIATIVE AND CURRENT CASH POSITION**

The review of strategic alternatives with Stifel FirstEnergy continues and the Company will provide further updates as deemed necessary by its board of directors.

Raise has had to adapt quickly to the changing business landscape and reduced sales caused by the Covid-19 disruption. As stated in note 10 of the Company's condensed interim financial statements for the three and six months ended June 30, 2020, the Company currently believes the last cash injection in September 2019 and projected revenues for the remainder of the year will be sufficient to complete its strategic objectives into the fourth quarter of 2020 based on its current sales forecasts. However, the global impact of COVID-19 as well as the recent decline in oil prices in Canada and the United States have resulted in significant uncertainty as to the health of the global economy and specifically the oil and gas industry. The potential impact that these events will have on the Company's future sales and financial results cannot be reasonably estimated at this time.

The Company's ability to accomplish its plans throughout 2020 and beyond is dependent upon the Company meeting its projected sales forecast for the remainder of the year and if this does not occur, obtaining additional financing to continue operations; however, there is no assurance that the Company will achieve these objectives.

The Company's current cash position is approximately \$290,000 and the following steps have been taken to preserve cash while the Company continues to pursue additional cost reductions in all aspects of the business to weather through the next few months:

- Temporary layoffs of 36% of full-time employees;
- Remaining staff have reduced working hours resulting in up to 40% salary reductions;
- The Canada Emergency Wage subsidy has been applied for and \$124,667 has been received to date for the first five periods of the program;
- The Company's business model has been changed to focus on commercial products only with all research and development currently on hold except for minor modifications to existing products, if required; and
- The Company has terminated its office lease effective August 31, 2020 and is moving to new premises that will result in approximately \$100k in annual savings.

All stakeholders are encouraged to view our regular corporate progress through the Company's LinkedIn Profile and its website.

The Board of Directors and Management would like to thank all shareholders for their support and encouragement as the Company continues to navigate through this extraordinary difficult period.

## RESULTS OF OPERATIONS

### Statements of Loss and Comprehensive Loss

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
<b>Revenue from contracts with customers</b>	\$ 110,776	\$ 229,786	\$ 229,653	\$ 443,512
<b>Cost of sales</b>	62,760	157,044	124,943	300,776
<b>Gross margin</b>	48,016	72,742	104,710	142,736
<b>Other income</b>	31,661	2,178	33,530	9,003
<b>Expenses:</b>				
General and administration	194,344	483,808	631,615	945,610
Finance costs	66,656	9,465	132,482	20,429
Depreciation and amortization	57,984	58,765	117,087	116,953
Stock-based compensation	4,208	40,095	69,636	79,280
Research expenses	13,211	39,859	50,194	79,655
	336,403	631,992	1,001,014	1,241,927
<b>Net loss and comprehensive loss</b>	\$ (256,726)	\$ (557,072)	\$(862,774)	\$(1,090,188)
<b>Net loss per share – basic and diluted</b>	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)

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*The global impact of COVID-19 as well as the recent decline in oil prices in Canada and the United States have resulted in significant uncertainty as to the health of the global economy and specifically the oil and gas industry. The potential impact that these events will have on the Company's future sales and financial results cannot be reasonably estimated at this time. However, the influence of these recent developments has impacted the Company's customers' capital and operating spending budgets, which have resulted in a negative effect on the Company's short-term sales. The Company is currently implementing actions to preserve its cash position while maintaining its ability to effectively service and supply its customers.*

*Certain information included in this news release constitutes forward-looking statements under applicable securities legislation. Forward-looking statements or information typically contain or can be identified by statements that include words such as "anticipate", "assume", "based", "believe", "can", "continue", "depend", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "project", "propose", "result", "upon", "will", "within" or similar words suggesting future outcomes or statements regarding an outlook. Such forward-looking statements or information are based on a number of assumptions that may prove to be incorrect. Assumptions have been made regarding, among other things: the ability to obtain financing to provide working capital to fund operations, the availability of credit, the ability to commercialize products and operations and meet projected sales forecasts, the potential to increase recoverable reserves for customers by utilization of the HARP™, REAL™ and HART™ systems, estimates regarding current and projected cash resources and cash flow anticipated sales, the ability to adequately protect proprietary information and technology from its competitors; the ability to obtain partnering opportunities; the ability to attract and retain key personnel and key collaborators; the availability of skilled labour, services and equipment, general economic and financial market conditions, the legislative and regulatory environment of the jurisdictions where the Company carries on business and the ability to successfully compete in targeted markets.*

*The forward-looking statements contained in this news release are made as of the date hereof and the Company does not undertake any obligation to publicly update or revise any of the included forward-looking statements, except as required by applicable Canadian securities law. Forward-looking statements are based upon the current opinions, estimates, projections, assumptions and expectations of management of the Company as at the effective date of such statements and, in some cases, information supplied by third parties. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from third parties is reliable, it can give no assurance that those expectations will prove to have been correct. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statement will not occur. These risks and uncertainties include but are not limited to: deployment and commercialization of the Company's products and regulatory changes. Accordingly, readers should not place undue reliance upon the forward-looking statements contained in this news release and such forward-looking statements should not be interpreted or regarded as guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, investors should review the Company's continuous disclosure filings that are available at [www.sedar.com](http://www.sedar.com).*