



KAISEN ENERGY CORP. ANNOUNCES YEAR END 2019 RESULTS

April 17, 2020

CALGARY, ALBERTA—Kaisen Energy Corp. (“Kaisen”) announces the financial and operating results for the year ended December 31, 2019. The audited consolidated financial statements, notes, and Management’s Discussion and Analysis (“MD&A”) pertaining to the year are attached. All figures reported herein are in Canadian dollars unless otherwise stated.

MANAGING DIRECTOR’S MESSAGE:

During the fourth quarter of 2019 and the early part of 2020, Kaisen continued to see some improvement in our operations. With some stabilization in oil commodity pricing and with improving operational performance, we were optimistic on the prospects for 2020 despite the challenging environment that has existed for a number of years.

However, Kaisen was soon confronted with the Covid-19 global pandemic that has had a dramatic impact on the world including Kaisen Energy. The declining demand for oil associated with slowdown in economic activity has contributed to lower global oil prices. The dramatic drop in global oil prices has been magnified for Canadian and heavy oil producers like Kaisen. With heavy oil prices dropping in March to below the level of operating costs for many of our wells, we have been forced to reduce production and costs in an attempt to survive until conditions improve. Many Canadian oil producers are experiencing the same challenging situation – the most challenging environment for many decades for Canadian oil producers.

Federal and provincial governments have expressed some support to assist the industry in facing these unprecedented challenges but there has been little specific assistance available thus far. We continue to work with governments as do many other producers to look for opportunities that will allow companies to survive so they are available to assist.

We have taken out a subordinated secured loan of \$160,000 from our major shareholder Azimuth Capital to give us a chance to survive in these challenging times. Even with this assistance, the economic environment remains very challenging for the company given current commodity pricing.

Kaisen continues to take a low cost, technical approach to managing the assets as best we can. We know ultimately that establishing some size that allows us to improve efficiency and capture economies of scale will be necessary. We continue to be active on that front.

We appreciate the support shown by shareholders, employees and contractors as we look to improve the fortunes of Kaisen.



ADVISORY:

Certain information in this message, including management's assessment of future-plans and operations, contains forward-looking information that involves risk and uncertainty.

Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Kaisen assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change. Forward-looking statements contained in this message are expressly qualified by this cautionary statement.

FOR FURTHER INFORMATION, PLEASE CONTACT:

John Zahary
Managing Director
jzahary@kaisenenergy.com

Rachelle Barnard
Sr Executive Assistant
info@kaisenenergy.com
(587) 350-5760

Kaisen Energy Corp.
400, 522 - 11th Avenue SW
Calgary, AB Canada T2R 0C8
www.kaisenenergy.com