



## KAISEN ENERGY CORP. ANNOUNCES SECOND QUARTER 2019 RESULTS

September 4, 2019

*CALGARY, ALBERTA—Kaisen Energy Corp. ("Kaisen") is pleased to announce the financial and operating results for the quarter ended June 30, 2019. The unaudited condensed 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 second quarter of 2019, we continue to work in an environment which has many challenges for the upstream oil industry.

Oil pricing continues to be volatile albeit we have enjoyed the improvement in differentials which we have experienced since February of 2019.

Capital availability has been very challenging for many Canadian upstream companies over past few years but we benefit from having large and knowledgeable shareholders who have supported the company in the past and can support the company as we move forward.

Balance sheets have been quite stretched for many producers, we have worked closely with our lender who is supportive of the company and the steps it has taken to improve its financial situation. We are pleased to report that subsequent to the end of the quarter we have signed a new bank agreement achieving compliance with our loan.

We recognize the importance of cost structure and have taken steps to improve costs structure and will continue to do so.

Thus, while I accept that we continue to live in a difficult environment, I am comfortable that our situation is better than many of our peers.

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.

Subsequent to the end of the quarter, we did draw a further \$1 million of our convertible debentures from our major shareholder and proceeded with a new well drilling program. We expect to have initial results in the next few weeks.

We appreciate the support shown by shareholders, employees and contractors as we look to improve the fortunes of Kaisen. We are better positioned for greater success in the future. We look forward to rewarding stakeholder patience in the months ahead.



**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:**

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