



KAISEN ENERGY CORP. ANNOUNCES FIRST QUARTER 2019 RESULTS

June 5, 2019

CALGARY, ALBERTA—Kaisen Energy Corp. ("Kaisen") is pleased to announce the financial and operating results for the quarter ended March 31, 2019. The unaudited condensed financial statements, notes, and Management's Discussion and Analysis ("MD&A") pertaining to the quarter are attached. All figures reported herein are in Canadian dollars unless otherwise stated.

MANAGING DIRECTOR'S MESSAGE:

The first quarter of 2019 saw a healthy improvement in Kaisen's performance relative to a very challenging fourth quarter of 2018.

Since the company was reorganized about a year ago, Kaisen has been focussed on reducing costs and technically managing its assets to create cashflow and value for shareholders. A great deal of progress was made in this regard during 2018 but low oil prices experienced in the fourth quarter of 2018 made conditions very difficult for all Canadian oil producing companies and disrupted the improvement in the performance of the company that we were striving for.

Fortunately, we have seen much better and improving prices throughout the first quarter of 2019 and into the second quarter. With better prices, the Company has focussed on restoring oil production that was intentionally reduced in the prior quarter. Most of the production has now been restored.

We continue to take a low cost but 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 work to restore compliance with our credit facility. We do not have a large amount of debt relative to many of our peers but understand that increasing cashflow is necessary to retain the comfort of our credit and equity supporters.

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 appreciate the support of shareholders and look forward to rewarding their 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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