



KAISEN ENERGY CORP. ANNOUNCES THIRD QUARTER 2019 RESULTS

November 22, 2019

CALGARY, ALBERTA—Kaisen Energy Corp. ("Kaisen") is pleased to announce the financial and operating results for the quarter ended September 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 third quarter of 2019, we continue to work in an environment which has many challenges for the upstream oil industry. Capital availability for the upstream oil and gas industry remains tough. Kaisen did draw \$1 million of the remaining convertible debenture commitment from our major shareholder Azimuth Capital Management and drilled 2 (1.3 net) wells. The wells have performed well to date and have helped the company stabilize itself.

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.

Kaisen recognizes the importance of cost structure and have taken steps to improve its cost 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.

We continue 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.

The Board of Directors would like to welcome Nathan Kunec to the Board at the company. Nathan is a director at Azimuth Capital Management, our largest shareholder, replacing Chris Hooper on the Board. Kaisen would like to thank Chris Hooper for his highly valued contributions to the company and wish him all the best in his future endeavours.

Kaisen appreciates 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. Kaisen looks 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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