



News Release

Reservoir Capital Corp. Enters into Agreement to Invest indirectly in Shiroro & Gurara Hydropower plants and add 5.5MW net operating capacity to reach 42.6MW

November 11, 2019

Vancouver, British Columbia (CSE: REO) - Reservoir Capital Corp. (CSE: REO) ("**REO**" or the "**Company**") is pleased to announce that, along with its wholly-owned subsidiary Kainji Power Holding Limited ("**KPHL**"), it has entered into a share sale and purchase agreement (the "**Agreement**") with Olocorp Nigeria Ltd ("**OLOCORP**") and its majority shareholder Eric Olo ("**EOLO**"), jointly the "**Vendors**", pursuant to which REO shall acquire a majority interest in OLOCORP and thereby indirectly acquire a minority economic interest in North South Power Company Limited ("**NSP**"), in a transaction that will compensate the Vendors with a mix of cash, the issuance of new REO common shares ("**REO Shares**"), and a convertible note to the Vendors (the "**Transaction**") representing in aggregate approximately \$3.6 million. The Transaction represents an important step in the implementation of REO's Strategy and Investment Policy to acquire a balanced clean power portfolio and will result in the Company having a 60% equity in OLOCORP via its subsidiary KPHL and thereby a just below 1% indirect economic interest in NSP, in addition to its existing economic interest of just above 4% in Mainstream Energy Solutions Limited ("**Mainstream**").

Olocorp Nigeria Limited

OLOCORP is a limited liability company registered in Nigeria in 2013 for the main purpose of holding shares in NSP, and currently owns 7,297,297 NSP shares. The consummation of the transaction will add almost 5.5MW of net operating hydropower capacity to Reservoir.

North South Power Limited

NSP is the concessionaire and operator of 630 MW of operating hydro capacity, comprising the 600MW Shiroro hydro power plant on the Kaduna River and the 30MW Gurara hydro power plant also on the Kaduna River in Nigeria. The two facilities are operating under long-term concession agreements and PPAs with the national grid aggregator NBET.

Details of the Transaction

According to the Agreement, REO will acquire a 60% equity stake in OLOCORP in exchange for a 3-part consideration of slightly over \$ 3.6 million comprising the following:

- 33,000,000 REO Shares issued to the Vendors and their designated beneficiaries (the "New Shareholders") at a deemed price of \$0.07 per share; and
- \$530,000 in the form of a convertible loan note bearing interest at 4% quarterly and maturing in 12 months, convertible into 7,571,500 REO shares at a conversion price around \$0.07 per share; and
- US\$600,000 (approximately \$780,000) in cash, payable in instalments.
- Potentially, an additional 2,000,000 REO shares shall be due to the Vendors if the consummation of the transaction is entirely completed before 31st Dec 2019.

Upon completion of the Transaction, REO will have at least 527,347,377 common shares outstanding, and up to a maximum of 536,918,877 shares if certain conditions are met. The REO Shares issued under the Transaction are subject to a minimum four-month hold period and restrictions on transfer under Canadian securities law. Some other terms and conditions provide guidance and incentives for potential follow-on transactions by mutual agreement which will be subject to contract.

OLOCORP MD and principal Eric OLO stated, “The story of clean energy in Africa is one of growth and global awareness. The ability for home-grown activities in the power sector to cross borders requires both technical and financial exposure. I believe the step Olocorp is taking in this direction with Reservoir is a major step in opening up a realm of opportunities in the clean energy space in Nigeria and beyond.”

REO CEO Lewis Reford stated, “We welcome the addition of another 5.5MW, bringing our net operating capacity to 42.6MW. By successfully adding a second high-quality dividend-paying hydro asset to the portfolio, REO is simultaneously enhancing value and diversifying some of its risk, all the while fulfilling its clean power vision in growing economies.”

REO Chairman Vincent Gueneau stated, “We are committed to delivering on our Vision, Mission, Strategy and Investment Policy as well as on creating a desirable co-investment vehicle where owners of equity stakes in producing clean power companies will feel comfortable contributing a portion of their shares as a hedge into a balanced portfolio managed by like-minded peers and professionals, in the spirit of cooperation which is ancestral in Africa and across the world. We welcome Eric Olo as a new shareholder in Reservoir and hope that this new indirect investment in NSP will be as rewarding and satisfying as the one we made in Mainstream last year has been.”

About Reservoir Capital Corp.

REO’s Vision & Mission is to assemble a balanced portfolio of producing and near-production clean energy assets in growing economies.

REO’s strategy to achieve its Vision is to approach shareholders of privately held quality assets and offer them diversification, liquidity and exposure to a growing portfolio assembled following a disciplined investment policy.

REO’s investment policy consists of taking carefully selected minority economic interests in quality assets in key geographies, targeting regular dividend income over long periods, while offering the potential for capital gain in the medium term.

Further cautionary Information

Completion of the Transaction is subject to a number of conditions, including but not limited to, CSE acceptance, and board resolutions ratifying the Agreement. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that any information released or received with respect to the Transaction may not be perfectly accurate or complete and should not be relied upon for investment decisions. Investors are cautioned that trading in the securities of REO should be considered highly speculative. Additional information on these and other factors that could affect the operations or financial results of REO are included in REO’s CSE Listing Statement and most recently filed quarterly report, each of which is filed with applicable Canadian securities regulators and may be accessed through the SEDAR website (www.sedar.com). The CSE have neither approved nor disapproved the contents of this news release.

Forward Looking Statements

*Certain information set forth in this news release contains "forward-looking statements", and "forward-looking information" under applicable securities laws. Forward-looking statements relate to future events or future performance and reflect the expectations or beliefs regarding future events of management of REO. This information and these statements, referred to herein as "forward looking statements", are not historical facts, are made as of the date of this news release and include without limitation, statements as to management's expectations, satisfaction of all of the conditions to complete of the Transaction and anticipated timing for **Olocorp** and other third parties to approve the transaction and file related documents. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "poised to", "hope", "plans," "intends", "believe" or "continue" or the negative thereof or similar variations. These forward looking statements involve numerous risks and uncertainties and actual results might differ materially from results suggested in any forward-looking statements. Important factors that may cause actual results to vary include without limitation, risks relating to the timing of the closing of the Transaction, successful completion of the Transaction, the number of securities of REO that may be issued in connection with the Transaction; REO realizing on the anticipated value of the Transaction, etc. In making the forward looking statements in this news release, REO has applied several material assumptions, including without limitation that the acquisition of the economic interest in **Olocorp and NSP** will generate the anticipated additional net operating capacity or revenue per management's expectations, that the parties will be able to complete the Transaction, etc. REO does not assume any obligation to update the forward-looking statements, or to update all or any of the reasons why actual results could differ from those reflected in the forward looking-statements, unless and until required by applicable securities laws. Additional information identifying risks and uncertainties is contained in REO's filings with the Canadian securities regulators, which filings are available at www.sedar.com.*

For any clarification, one may contact:

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