



News Release

Reservoir Capital Corp. Enters into Memorandum of Understanding to Increase its Nigerian Hydro Investment

April 16, 2019

Vancouver, British Columbia (CSE: REO) - Reservoir Capital Corp. ("REO") is pleased to announce that it has reached agreements in principle and non-binding Memorandum of Understanding dated April 3, 2019 with Kainji Power Holding Limited ("KPHL") and certain shareholders (the "Vendors") of Mainstream Energy Solutions Limited ("MESL"), pursuant to which REO proposes to substantially increase both its indirect economic interest in MESL and its direct stake in KPHL in exchange for the issuance of common shares of REO ("REO Shares") to the Vendors and their designated beneficiaries (the "Transaction"). The Transaction is subject to the terms of definitive share exchange agreements (the "Definitive Agreements") to be negotiated among REO and the Vendors.

MESL is concessionaire of two leading Nigerian hydro power plants with a combined operating capacity of 922MW. Management of REO anticipates that completion of the Transaction would increase MESL's net capacity up to 37MW (from 18.7MW currently).

Subject to the terms of the Definitive Agreements, REO would acquire over 10 million shares of MESL, to be held through KPHL, and an additional 35% equity interest in KPHL, bringing REO's total equity interest in KPHL to 95%, in exchange for approximately 270 million REO Shares. REO is also engaged in talks with the owner of the last remaining 5% of KPHL for an envisaged subsequent transaction that would bring REO closer to its target of owning up to 100% of KPHL.

Reservoir CEO Lewis Reford stated, "REO, its Board and Management are extremely pleased to have reached agreements-in-principle to increase REO's economic interest in MESL and broaden its shareholder base in a potential all-share transaction. We look forward to deepening and reinforcing our relationship with MESL and its key founding shareholders. Indeed, MESL is proving to be a first-class clean power company, performing and delivering results to all its stakeholders – in particular, the Nigerian public. MESL has been a very successful investment for REO and we will be delighted to welcome some of its founding shareholders as new REO shareholders after the completion of the Definitive Agreements."

The issuance of the REO Shares will be subject to approval of the Canadian Securities Exchange ("CSE"), and such REO Shares will be subject to restrictions on transfer under Canadian securities law and CSE policies.

About Reservoir Capital Corp.

REO's Vision & Mission is to assemble a portfolio of producing and near-production clean energy assets in emerging markets.

REO's strategy to achieve its Vision is to approach owners 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 key geographies, targeting regular dividend income over long periods, while offering the potential for capital gain in the medium term.

Further Information

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.

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NEITHER THE CSE NOR THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS 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, estimates and forecasts relating to MESL's operating capacity, statements as to management's expectations, the successful negotiation and execution of the Definitive Agreements, completion of the Transaction and CSE approval of the Transaction. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "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, execution of the Definitive Agreement, the number of securities of REO that may be issued in connection with the Transaction; REO realizing on the anticipated value of the Transaction, REO maintaining its projected growth, CSE approval of the Transaction and general economic conditions or conditions in the financial markets.

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 KPHL and MESL will generate the anticipated revenue per management's expectations and REO will obtain

CSE approval of the Transaction. REO does not assume any obligation to update the forward-looking statements, or to update 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