



News Release

Reservoir Capital Corp. Enters into Definitive Agreement to Triple its Indirect Interest in Mainstream Energy Solutions Limited

May 7, 2019

Vancouver, British Columbia (CSE: REO) - Reservoir Capital Corp. ("REO" or the "Company") is pleased to announce that it has entered into a definitive share exchange agreement (the "Definitive Agreement") with Kainji Power Holding Limited ("KPHL") and certain shareholders (the "Vendors") of Mainstream Energy Solutions Limited ("MESL"), pursuant to which REO will acquire shares of both MESL and KPHL in exchange for the issuance of REO common shares ("REO Shares") to the Vendors (the "Transaction"). The Transaction constitutes the second stage of REO's investment into MESL and will result in the Company increasing its indirect economic interest in MESL from 1.2% to approximately 3.8%. On September 21, 2018, REO underwent a reverse takeover transaction when it acquired a 60% interest in KPHL, resulting in the Issuer owning its initial indirect minority interest in MESL.

Mainstream Energy Solutions Limited

MESL is the concessionaire and operator of the two largest hydropower plants on the Niger River in Nigeria, with a current aggregate operating capacity of 922MW and plans to increase that to 1,300MW. The two facilities are world-class assets operating under a long-term concession agreement and multiple PPAs with the national grid as well as large private eligible customers. The proven hydrology of MESL's reservoirs allows balanced power production all year long in a demand environment that is critically short of dependable and affordable power.

Management of REO anticipates that the completion of the Transaction will increase REO's net operating capacity to approximately 35MW (from around 11MW currently).

Reservoir CEO Lewis Reford stated, "REO, its Board and Management are extremely pleased to have finalized the definitive agreement that more than triples REO's economic interest in MESL and broadens its shareholder base in a single cashless all-share transaction. We look forward to deepening and reinforcing our relationship with MESL and its key founding shareholders. Indeed, MESL has been a very successful clean power investment for REO, performing and delivering results to all its stakeholders – in particular, the Nigerian public."

Details of the Transaction

According to the Definitive Agreement, REO will acquire an additional 9,950,912 shares of MESL, to be held through KPHL, and an additional 350 shares of KPHL, bringing REO's total equity interest in KPHL to 95% and KPHL's interest in MESL to slightly over 4%, in exchange for 269,942,233 new REO Shares issued to the Vendors and their designated beneficiaries (the "Shareholders").

Upon completion of the Transaction, REO will have 481,047,377 common shares outstanding with one Shareholder holding 45.72% of REO common shares. The Agreement was negotiated at Arm's Length and replaces the Memorandum of Understanding announced on April 16, 2019.

The issuance of the REO Shares will be subject to approval of the Canadian Securities Exchange (“CSE”), and such REO Shares may 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

Completion of the Transaction is subject to a number of conditions, including but not limited to, CSE acceptance. 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 accurate or complete and should not be relied upon. 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).

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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”, “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, 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.