



## **NEWS RELEASE**

### **Rubellite Energy Inc. Confirms that the Rubellite Warrants Expire on October 4, 2021; Action Required to be Taken to Exercise Rubellite Warrants**

**Calgary, Alberta - September 13, 2021 (TSX:RBY; RBY.WT)** – Rubellite Energy Inc. ("Rubellite" or the "Company"), a pure play Clearwater oil exploration and development company, is pleased to confirm that its outstanding warrants to purchase common shares of the Company (the "Rubellite Warrants") will expire on October 4, 2021.

An aggregate of 16,734,816 Rubellite Warrants were issued pursuant to the previously announced and recently completed plan of arrangement (the "Plan of Arrangement") involving Perpetual Energy Inc. ("Perpetual"), Rubellite and the shareholders of Perpetual.

The currently outstanding common shares of the Company ("Common Shares") are listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "RBY". The Rubellite Warrants are listed on the TSX under the trading symbol "RBY.WT" and will be posted for trading on the TSX until 10:00 a.m. (Calgary time) on October 4, 2021.

#### **Rubellite Warrants**

Under the terms of the Plan of Arrangement, for every 46 Perpetual common shares held, shareholders of Perpetual (other than consolidated shareholders) received 1 Rubellite Common Share and 12 Rubellite Warrants. Each Rubellite Warrant entitles the holder to subscribe for one Common Share at a price of \$2.00 per share. The Rubellite Warrants effectively provide for a "rights offering" whereby shareholders of Perpetual have the equal opportunity to purchase additional Common Shares. Rubellite will raise approximately \$33.5 million through the exercise of the Rubellite Warrants (the "Arrangement Warrant Financing") which is fully backstopped. In connection with the Arrangement Warrant Financing, Perpetual has entered into a standby purchase agreement (the "Standby Agreement") with Rubellite and Dreamworks Investment Holdings Ltd. ("Dreamworks"), a corporation controlled by Sue Riddell Rose, Perpetual's President and Chief Executive Officer, to, among other things, ensure the Arrangement Warrant Financing is fully subscribed. Dreamworks is not entitled to any standby fee or other benefit in connection with the Standby Agreement. Upon closing of the Arrangement Warrant Financing, Rubellite will receive approximately \$33.5 million in proceeds. Rubellite intends to use the proceeds from the Arrangement Warrant Financing for the repayment of a portion of the amounts owing to Perpetual in connection with Rubellite's acquisition of the Clearwater assets from Perpetual.

The Rubellite Warrants were issued under a warrant indenture (the "Rubellite Warrant Indenture") entered into with Odyssey Trust Company ("Odyssey"). Each Rubellite Warrant will entitle the holder thereof to acquire, at the holder's option, one Common Share at a price of \$2.00. The Rubellite Warrants will be exercisable until October 4, 2021 (the "Expiry Date").

A registered holder of Rubellite Warrants may exercise such warrants to receive the resulting number of Common Shares by forwarding the Rubellite Warrant certificate containing the exercise form (the "Warrant Certificate") and the aggregate subscription price for the Common Shares so exercised in accordance with the terms and conditions of the Rubellite Warrants to Odyssey (the "Warrant Agent"). The aggregate subscription price is payable in Canadian funds by certified cheque, bank draft or money order drawn to the order of Rubellite Energy Inc. The entire aggregate subscription price for the Rubellite Common Shares must be paid at the time of subscription and must be received by the Warrant Agent prior to 4:30 p.m. (the "Expiry Time") on the Expiry Date.

A letter of transmittal has been previously provided to all registered Perpetual shareholders. This letter of transmittal is required to be completed and submitted by registered holders in accordance with the instructions contained therein in order to receive Common Shares and Rubellite Warrants pursuant to the Plan of Arrangement. For Common Shares held in registered form, a Warrants Certificate evidencing the number of Rubellite Warrants to which a shareholder is

entitled will be provided to them once the letter of transmittal has been submitted. In order to exercise the Rubellite Warrants represented by the Warrants Certificate, a holder of Rubellite Warrants must complete and deliver the Warrants Certificate to the Warrant Agent in the manner and upon the terms set out in the Warrants Certificate.

Each Warrants Certificate indicates the number of Rubellite Warrants to which the Warrants Certificate holder is entitled. Warrants Certificates will expire and be of no value unless they are returned on or before the Expiry Time.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscriptions will be determined by the Company in its sole discretion, and any determination by the Company will be final and binding. All subscriptions are irrevocable. The Company reserves the absolute right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Common Shares pursuant thereto could be deemed unlawful. The Company also reserves the right to waive any defect in respect of any particular subscription. The Company is not, nor will be, under any duty to give any notice of any defect or irregularity in any subscription, nor will they be liable for the failure to give any such notice.

Certificates for Common Shares issued upon exercise of Rubellite Warrants in accordance with the Arrangement Warrant Financing, including Common Shares purchased through the Additional Subscription Privilege, will be registered in the name of the person to whom the Warrants Certificate was issued or to whom the Rubellite Warrants were transferred in accordance with the terms thereof, and mailed to the address of the subscriber for the Common Shares as stated on the Warrants Certificate, unless otherwise directed, as soon as practicable after the Expiry Date. Once mailed or delivered in accordance with the instructions of the subscriber, the Company assumes no further responsibility for the Common Share certificates.

For Common Shares held through a securities broker or dealer, bank or trust company or other participant (a "CDS Participant") in the book-based system administered by CDS Clearing and Depository Services Inc. ("CDS"), a shareholder may subscribe for Rubellite Common Shares by instructing the CDS Participant holding the shareholder's Rubellite Warrants to exercise all or a specified number of such Rubellite Warrants and forwarding the subscription price for each Common Share subscribed for to such CDS Participant in accordance with the terms of the Arrangement Warrant Financing. A shareholder wishing to subscribe for Additional Common Shares pursuant to the Additional Subscription Privilege must forward its request to the CDS Participant that holds the subscriber's Rubellite Warrants prior to the Expiry Time, along with payment for the number of Additional Common Shares requested. Any excess funds will be returned by mail or credited to the shareholder's account with its CDS Participant without interest or deduction. Subscriptions for Common Shares made through a CDS Participant will be irrevocable and shareholders will be unable to withdraw their subscriptions for Common Shares once submitted. CDS Participants may have an earlier deadline for receipt of instructions and payment than the Expiry Time.

Only registered Shareholders will be provided with Warrants Certificates. For all non-registered, beneficial Shareholders who hold their Common Shares through a CDS Participant in the book-based systems administered by CDS, a global certificate representing the total number of Rubellite Warrants to which all such shareholders as at September 3, 2021 are entitled will be issued in registered form to, and deposited with, CDS. The Company expects that each beneficial shareholder will receive a confirmation of the number of Rubellite Warrants issued to it from its CDS Participant in accordance with the practices and procedures of that CDS Participant. CDS will be responsible for establishing and maintaining book-entry accounts for CDS Participants holding Rubellite Warrants.

Shareholders who hold their Common Shares through a CDS Participant must arrange for exercises, purchases or transfers of Rubellite Warrants through their CDS Participant and should contact the CDS Participant to instruct them accordingly. It is anticipated by the Company that each purchaser of Rubellite Warrants or Common Shares will receive a customer confirmation of issuance or purchase, as applicable, from the CDS Participant through which such Rubellite Warrants are issued or such Rubellite Warrants or Common Shares are purchased in accordance with the practices and policies of such CDS Participant.

Beneficial shareholders may also participate in the Arrangement Warrant Financing by following the procedures for book-based transfer, provided that a confirmation of the book-based transfer of their Rubellite Warrants through CDS on-line tendering system into the Company's account at CDS, is received by the Company prior to the Expiry Time. The Company has established an account at CDS for the purpose of the Arrangement Warrant Financing. Any financial institution that is a participant in CDS may cause CDS to make a book-based transfer of a holder's Rubellite Warrants into the Company's account in accordance with CDS procedures for such transfer. Delivery of Rubellite Warrants using the CDS book-based transfer system will constitute a valid tender under the Arrangement Warrant Financing.

Beneficial shareholders through their respective CDS participants, who utilize the CDS on-line system to accept the Arrangement Warrant Financing through a book-based transfer of their Rubellite Warrants into the Company's account with CDS are deemed to have completed a Warrant Certificate and therefore such instructions received by the Company are considered as a valid tender in accordance with the terms of the Arrangement Warrant Financing.

The Company will not have any liability for: (i) the records maintained by CDS or CDS Participants relating to the Rubellite Warrants or the book-entry accounts maintained by them; (ii) maintaining, supervising or reviewing any records relating to such Rubellite Warrants; or (iii) any advice or representations made or given by CDS or CDS Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or their CDS Participant.

Subscriptions for Common Shares made pursuant to the Rubellite Warrant certificates will be irrevocable and subscribers will be unable to withdraw their subscriptions for Common Shares once submitted. Each holder of Rubellite Warrants that subscribes for all of the Common Shares to which such holder receives pursuant to the Plan of Arrangement (the "Basic Subscription Right"), at any time before the Expiry Date, may subscribe for additional Common Shares ("Additional Common Shares"), if available, at \$2.00 per share (the "Additional Subscription Privilege"). Holders of Rubellite Warrants must exercise all of their Rubellite Warrants under the Basic Subscription Right to be eligible for the Additional Subscription Privilege.

The aggregate number of Additional Common Shares available under the Additional Subscription Privilege will be the difference between the total number of Common Shares issuable upon full exercise of the Rubellite Warrants pursuant to the Basic Subscription Right and the total number of Common Shares actually subscribed and paid for prior to the Expiry Time. Subscriptions for Additional Common Shares will be received subject to allotment only and the number of Additional Common Shares, if any, which may be allotted to each subscriber will be equal to the lesser of: (a) the number of Additional Common Shares which that subscriber has subscribed for under the Additional Subscription Privilege, and (b) the product (disregarding fractions) obtained by multiplying the number of available Additional Common Shares by a fraction, the numerator of which is the number of Rubellite Warrants exercised by that subscriber under the Basic Subscription Right and the denominator of which is the aggregate number of Rubellite Warrants exercised under the Basic Subscription Right by holders of Rubellite Warrants that have subscribed for Additional Common Shares pursuant to the Additional Subscription Privilege. If any holder of Rubellite Warrants has subscribed for fewer Additional Common Shares than such holder's pro rata allotment of Additional Common Shares, the excess Additional Common Shares will be allotted in a similar manner among the holders who were allotted fewer Additional Common Shares than they subscribed for.

Pursuant to the Standby Agreement, any Rubellite Warrants not otherwise exercised by holders of Rubellite Warrants pursuant to the Basic Subscription Right and/or the Additional Subscription Privilege shall be exercised by Dreamworks such that all Rubellite Warrants are exercised on the Expiry Date.

The Company believes that its directors and executive officers who own Common Shares intend to exercise all of their Rubellite Warrants to purchase Common Shares under their Basic Subscription Privilege. In addition, Dreamworks, the Company's significant shareholder, has agreed pursuant to the terms of the Standby Agreement to participate in the Arrangement Warrant Financing to the fullest extent possible through the Basic Subscription Privilege and, to the extent applicable, the Additional Subscription Privilege.

This reflects the intentions of such insiders (as defined in applicable Canadian securities legislation) as of the date hereof to the extent such intentions are reasonably known to the Company, however such insiders may alter their intentions before the Expiry Time on the Expiry Date. No assurance can be given that the respective insiders will exercise their Rubellite Warrants to acquire Common Shares. As at the date hereof, insiders of the Company, own or exercise control or direction over, directly or indirectly, approximately 623,500 Common Shares, representing approximately 30% of the issued and outstanding Common Shares. In the event that these shareholders purchase Common Shares pursuant to the Basic Subscription Privilege, these shareholders would own an aggregate of 11.1 million Common Shares, including Sue Riddell Rose's previously announced participation in the Non-Brokered Private Placement. If no other shareholders were to exercise Rubellite Warrants under the Arrangement Warrant Financing, these shareholders would increase their ownership of the Common Shares to approximately 51% of the outstanding Common Shares after completion of the Arrangement Warrant Financing, the previously announced \$30.0 million Brokered Private Placement and the minimum \$10.5 million Non-Brokered Private Placement.

The Rubellite Warrants are listed and posted for trading on the TSX under the trading symbol "RBY.WT" until 10:00 a.m. (Calgary time) on the Expiry Date. Beneficial holders of Rubellite Warrants who hold their Common Shares through

a CDS Participant must arrange for purchases, sales and other transfers of Rubellite Warrants through their CDS Participant.

Holders of Warrant Certificates not wishing to exercise their Rubellite Warrants may sell or transfer them directly or through their broker or investment dealer at the shareholder's expense, subject to any applicable resale restrictions.

Holders of Warrant Certificates may elect to exercise only a part of their Rubellite Warrants and sell the remainder, or sell of all of their Rubellite Warrants. Any commission or other fee payable in connection with the exercise or any trade of Rubellite Warrants is the responsibility of the holder of such Rubellite Warrants. Depending on the number of Rubellite Warrants a holder may wish to sell, the commission payable in connection with a sale of Rubellite Warrants could exceed the proceeds received from such sale.

The Rubellite Warrants will generally be free-trading and listed and posted for trading on the TSX under the trading symbol "RBY.WT" and will be posted for trading on the TSX until 10:00 a.m. (Calgary time) on the Expiry Date. All Common Shares issuable on exercise of the Rubellite Warrants will be listed and posted for trading on the TSX under the symbol "RBY".

The Rubellite Warrants being issued hereunder and the Common Shares issuable upon exercise of the Rubellite Warrants (collectively, the "**Securities**") are being distributed by the Company in Canada pursuant to exemptions from the registration and prospectus requirements under applicable securities legislation. Resale of the Securities may be subject to restrictions pursuant to applicable securities legislation then in force. Set out below is a general summary of the restrictions governing first trades in the Securities. Additional restrictions may apply to "insiders" of the Company and holders of the Securities who are "control persons" or the equivalent or who are deemed to be part of what is commonly referred to as a "control block" in respect of the Company for purposes of securities legislation. Each holder of Rubellite Warrants is urged to consult his or her professional advisors to determine the exact conditions and restrictions applicable to trades of the Securities.

Generally, the first trade of any of the Securities will be exempt from the prospectus requirements of securities legislation in Canada if: (i) the Company is and has been a "reporting issuer" in a jurisdiction of Canada for the four months immediately preceding the trade; (ii) the trade is not a "control distribution" as defined in applicable securities legislation; (iii) no unusual effort is made to prepare the market or to create a demand for the Securities; (iv) no extraordinary commission or other consideration is paid in respect of such trade; and (v) if the seller is an insider or officer of the Company, the seller has no reasonable grounds to believe that the Company is in default of applicable securities legislation. If such conditions have not been met, then the Securities may not be resold except pursuant to a prospectus or prospectus exemption, which may only be available in limited circumstances.

Neither the Rubellite Warrants nor the Common Shares issuable on exercise of the Rubellite Warrants have been or will be registered under the *United States Securities Act of 1933*, as amended, and they may not be offered or re-offered or sold or re-sold within the United States except pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended.

The foregoing is a summary only and is not intended to be exhaustive. Holders of Rubellite Warrants should consult with their advisors concerning restrictions on resale, and should not resell their Securities until they have determined that any such resale is in compliance with the requirements of applicable legislation.

The Company will not issue fractional Common Shares upon the exercise of Rubellite Warrants. Where the issuance of Rubellite Warrants would otherwise entitle the holder of Rubellite Warrants to fractional Common Shares, the holder's entitlement will be reduced to the next lowest whole number of Common Shares, with no additional compensation.

Further information regarding the Company, its activities and its financial results, including copies of the financial statements and other continuous disclosure documents filed by the Company with applicable Canadian securities regulatory authorities, may be obtained under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

There is no material fact or material change about Rubellite that has not been generally disclosed.

#### ***Restrictions on Exercise of Rubellite Warrants by U.S. Warranholders***

The Rubellite Warrants may be exercised only by a holder who represents that at the time of exercise the holder is not then located in the United States, is not a U.S. Person, and is not exercising the Rubellite Warrants for the account or

benefit of a U.S. Person or a person in the United States, unless the holder provides a legal opinion or other evidence reasonably satisfactory to Rubellite to the effect that the exercise of the Rubellite Warrants does not require registration under the 1933 Act or state securities laws. No U.S. Person or holder exercising the Rubellite Warrants for the account or benefit of a U.S. Person or a person in the United States may request to exercise the Additional Subscription Privilege.

### ***Exercise of Rubellite Warrants for Rubellite Shares***

As further described above, in order to exercise Rubellite Warrants to purchase Common Shares, the Warrant Certificate must be completed by the registered holder of the Rubellite Warrants setting forth certain information relating to, and containing representations and covenants by or on behalf of, the beneficial purchaser of the Rubellite Shares. Any Rubellite Warrants held through a broker or other participant in a book-entry system (that is, where the Rubellite Warrants are registered in the name of a depository or its nominee) may be exercised through the CDSX platform, subject to the participant making customary representation and covenants. CDS Participants may have an earlier deadline for receipt of instructions and payment than the Expiry Time. Beneficial owners of Rubellite Warrants may: (i) exercise the Rubellite Warrants held through a CDS participant, by instructing such CDS participant to exercise all or a specified number of such Rubellite Warrants, and forward to such CDS participant, the exercise price for each Rubellite Common Share that holder wishes to subscribe for; (ii) subscribe for additional Common Shares pursuant to the Additional Subscription Privilege by instructing such CDS participant to exercise the Additional Subscription Privilege in respect of the number of additional Common Shares the holder wishes to subscribe for, and by forwarding to such CDS participant the exercise price for such additional Common Shares requested. Any excess funds will be returned to the relevant CDS participant for the account of the beneficial holder, without interest or deduction.

### ***Insider Ownership of Rubellite***

Upon completion of the Arrangement Warrant Financing and the other previously announced equity financings to be undertaken by Rubellite, Rubellite will have a minimum of approximately 39.0 million Common Shares outstanding. Alberta Investment Management Company ("AIMCo") will own approximately 9.3% of the Rubellite Common Shares and ownership by Dreamworks and other entities controlled by Sue Riddell Rose will be between: (A) 27%, in the event that (i) nil additional Rubellite Warrants are exercised by Dreamworks pursuant to the Standby Agreement, (ii) Sue Riddell Rose (or entities controlled by Sue Riddell Rose) exercises all Rubellite Warrants received as a Shareholder under the Plan of Arrangement but does not oversubscribe for any additional Rubellite Warrants per the Additional Subscription Privilege; (iii) Sue Riddell Rose participates for \$6.0 million of the \$10.5 million of the previously announced non-brokered private placement (the "Non-Brokered Private Placement"), and (iv) the Non-Brokered Private Placement is not expanded beyond \$10.5 million; and (B) 49%, in the event that (i) no Shareholders (other than AIMCo and Ryan Shay, Vice President, Finance and Chief Financial Officer of Perpetual and Rubellite) exercise Rubellite Warrants and all outstanding Rubellite Warrants (exclusive of those exercised by AIMCo and Mr. Shay) are exercised by Dreamworks pursuant to the Standby Agreement, (ii) Sue Riddell Rose participates for \$6.0 million of the \$10.5 million Non-Brokered Private Placement, and (iii) the Non-Brokered Private Placement is not expanded beyond \$10.5 million. If the maximum \$20.0 million Non-Brokered Private Placement is completed, Rubellite will have 43.8 million Common Shares outstanding.

*No securities regulatory authority has either approved or disapproved of the contents of this news release. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.*

## **ADDITIONAL INFORMATION**

### **About Rubellite**

Rubellite is a Canadian energy company engaged in the exploration, development and production of heavy crude oil from the Clearwater formation in Eastern Alberta, utilizing multi-lateral drilling technology. Rubellite has a pure play Clearwater asset base and is pursuing a robust organic growth plan focused on superior corporate returns and free funds flow generation while maintaining a conservative capital structure and prioritizing ESG excellence. Additional information on Rubellite can be accessed at [www.sedar.com](http://www.sedar.com).

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.

For additional information please contact:

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**Forward-Looking Information**

*Certain information in this news release may constitute forward-looking information or statements (together "forward-looking information") under applicable securities laws. The forward-looking information includes, without limitation, statements with respect to: the amount to be raised pursuant to the financings and the timing for the completion thereof; the intention of insiders to participate in the Arrangement Warrant Financing; and the number of Common Shares to be outstanding upon the completion of the financings; and the expected timing of the issue of the Common Shares pursuant to the financings and other similar statements.*

*Forward-looking information is based on current expectations, estimates and projections that involve a number of known and unknown risks, which could cause actual results to vary and in some instances to differ materially from those anticipated by Rubellite and described in the forward-looking information contained in this news release. In particular and without limitation of the foregoing, material factors or assumptions on which the forward-looking information in this news release is based include: the successful completion of the Financings; the ability of Rubellite to successfully operate the Clearwater Assets; forecast commodity prices and other pricing assumptions; forecast production volumes based on business and market conditions; foreign exchange rates; near-term pricing and continued volatility of the market; estimates of quantities of crude oil from properties and other sources not currently classified as proved; accounting estimates and judgments; future use and development of technology and associated expected future results; the ability to obtain regulatory approvals; the successful and timely implementation of capital projects; ability to generate sufficient cash flow to meet current and future obligations; estimated abandonment and reclamation costs, including associated levies and regulations applicable thereto; Rubellite's ability to operate under the management of Perpetual pursuant to the management services agreement; the ability of Rubellite to obtain and retain qualified staff and equipment in a timely and cost-efficient manner, as applicable; the continued listing of the Common Shares and Warrants on the TSX; the retention of key properties; forecast inflation and other assumptions inherent in Rubellite's current guidance and estimates; the continuance of existing tax, royalty, and regulatory regimes; the accuracy of the estimates of reserves volumes; ability to access and implement technology necessary to efficiently and effectively operate assets; and the ongoing and future impact of the coronavirus on commodity prices and the global economy, among others.*

*Undue reliance should not be placed on forward-looking information, which is not a guarantee of performance and is subject to a number of risks or uncertainties, including without limitation those described herein and under "Risk Factors" in Perpetual's Management Information Circular dated August 4, 2021 and in other reports on file with Canadian securities regulatory authorities which may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). Readers are cautioned that the foregoing list of risk factors is not exhaustive. Forward-looking information is based on the estimates and opinions of Rubellite's management at the time the information is released, and Rubellite disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or otherwise, other than as expressly required by applicable securities law.*