MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis ("MD&A") of Rubellite Energy Inc.'s ("Rubellite", the "Company" or the "Corporation") operating and financial results for the three and six months ended June 30 2022, as well as information and estimates concerning the Corporation's future outlook based on currently available information. This discussion should be read in conjunction with the Corporation's unaudited condensed interim financial statements and accompanying notes for the three and six months ended June 30, 2022 as well as the audited financial statements and accompanying notes for the year ended December 31, 2021. Disclosure which is unchanged from the December 31, 2021 MD&A has not been duplicated herein. The Corporation's financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") which require publicly accountable enterprises to prepare their financial statements using International Financial Reporting Standards ("IFRS"). Readers are referred to the advisories for additional information regarding forecasts, assumptions and other forward-looking information contained in the "Forward-Looking Information" section of this MD&A.

The date of this MD&A is August 10, 2022. All amounts are in Canadian dollars unless specified otherwise. Rubellite commenced operations with the acquisition of Perpetual Energy Inc.'s ("Perpetual") Clearwater lands, wells, roads and related facilities in northeast Alberta (the "Clearwater Assets") on July 15, 2021. Operating results for 2021 reflect the period from September 3, 2021, the effective date of the completion of the plan of arrangement between Perpetual, shareholders of Perpetual and Rubellite (the "Arrangement"), to December 31, 2021. As result, there are no Q1 2021 or Q2 2021 comparatives and the Company has provided comparison to the most recent prior quarter of Q1 2022.

This MD&A contains certain specified financial measures that are not recognized by GAAP and used by management to evaluate the performance of the Corporation and its business. Since certain specified financial measures may not have a standardized meaning, securities regulations require that specified financial measures are clearly defined, qualified and, where required, reconciled with their nearest GAAP measure. See "Non-GAAP and Other Financial Measures" for further information on the definition, calculation and reconciliation of these measures. This MD&A also contains forward-looking information. See "Forward-Looking Information".

NATURE OF BUSINESS: Rubellite is a Canadian energy company headquartered in Calgary, Alberta and engaged in the exploration, development and production of conventional heavy crude oil from the Clearwater formation in Eastern Alberta, utilizing multi-lateral horizontal drilling technology. Rubellite has a pure play Clearwater asset base and is pursuing a robust organic growth plan focused on superior corporate returns and funds flow generation while maintaining a conservative capital structure and prioritizing environmental, social and governance ("ESG") excellence. Additional information on Rubellite can be accessed at www.sedar.com and found at www.rubelliteenergy.com.

Rubellite's common shares are publicly traded on the Toronto Stock Exchange under the symbol "RBY".

SECOND QUARTER 2022 OPERATIONAL AND FINANCIAL HIGHLIGHTS

- Capital expenditures (see "Non-GAAP and Other Financial Measures") totaled $12.7 million in the second quarter of 2022 (Q1 2022 – $35.5 million). Exploration and development spending was $9.5 million (Q1 2022 - $21.8 million) as the Company was able to get an early start on its post breakup drilling program and accelerated some of its Q3 2022 capital into Q2 2022. Land purchases during the second quarter of 2022 were $3.2 million (Q1 2022 – $13.7 million), adding strategic lands within the Clearwater play.

- Drilling activity for the second quarter of 2022 totaled six (4.8 net) multi-lateral horizontal Clearwater wells, including four (4.0 net) wells at Ukalta and two (0.8 net) wells at Marten Hills that were rig released during the quarter. At the end of June, one (1.0) well at Ukalta was spud on June 27, 2022 and rig released July 10, 2022 and one (0.3 net) well at Marten Hills was spud on June 20, 2022 and rig released July 5, 2022. During the second quarter, the Company drilled an additional vertical water disposal well at Ukalta and began drilling one (1.0 net) exploration well at Alpen to the west of Figure Lake, which rig released July 7, 2022.

- During the second quarter, the Company executed a definitive farm-in and option agreement (the "Peavine Transaction") with Cavalier Energy Inc. in the Peavine area, in the vicinity of recent industry Clearwater drilling activity and southwest of Rubellite's existing option acreage at West Dawson in northern Alberta. The Peavine Transaction provides exposure to 61.25 gross (34.75 net) sections of land highly prospective for the Clearwater formation, of which Rubellite may earn up to a 60 percent working interest by drilling wells or making certain qualifying capital expenditures.

- As of June 30, 2022, there were thirty six (33.0 net) wells contributing to sales production, with another three (2.3 net) wells rig released and recovering oil-based drilling mud ("OBM"), as compared to twenty eight (26.0 net) wells on production at the end of the first quarter of 2022. Recoveries of OBM are not recorded as sales production as the OBM is recycled for future drilling operations to the extent possible or sold and credited back to drilling capital.

- Daily average sales production increased 18% from first quarter 2022 levels to average 1,478 bbl/d of conventional heavy oil in the second quarter of 2022 (Q1 2022 – 1,251 bbl/d) which was just outside of the Company's Q2 2022 production guidance of 1,525 to 1,625 bbl/d. Production progressively ramped up through the first half of 2022 as new wells fully recovered OBM, filled tank inventories and then commenced delivery to sales terminals.

- Operating netbacks (see "Non-GAAP and Other Financial Measures") in the second quarter of 2022 were $11.6 million, or $85.97/bbl (Q1 2022 – $8.0 million or $71.02/boe), reflecting strong Western Canadian Select ("WCS") benchmark prices and increased production. Increases were partially offset by higher costs in all areas as a result of increased production, increased fuel prices and fuel surcharges and higher royalties. After realized losses on risk management contracts of $6.2 million or $46.12/boe (Q1 2022 – losses of $3.3 million or $29.04/boe), operating netbacks were $5.4 million or $39.85/boe (Q1 2022 – $4.7 million or $41.98/boe).

- Adjusted funds flow (see "Non-GAAP and Other Financial Measures") in the second quarter of 2022 was $4.6 million (Q1 2022 – $3.8 million) up 20% quarter-over-quarter, driven by the growth in sales production. Cash flow from operating activities in the second quarter of 2022 was $6.5 million (Q1 2022 – $3.2 million).

- Net income for the second quarter of 2022 was $4.7 million (Q1 2022 – $9.3 million net loss) driven by a swing from an unrealized loss on risk management contracts of $10.6 million in the first quarter to an unrealized gain on risk management contracts of $3.6 million in the second quarter.

- Adjusted working capital surplus (see "Non-GAAP and Other Financial Measures") at the end of the second quarter of 2022 was $2.7 million, down 51% or $2.7 million from $5.4 million at December 31, 2021 as a result of capital spending being higher than adjusted funds flow.

($ thousands, except as noted)	**Q2 2022**	**Q1 2022**	**Q4 2021**	**Q3 2021**
Financial				
Oil revenue	**15,632**	10,876	3,931	992
Net income (loss)	**4,726**	(9,272)	(1,265)	8,967
Per share – basic(3)	**0.09**	(0.21)	(0.03)	12.34
Per share – diluted(3)	**0.08**	(0.21)	(0.03)	5.16
Total assets	**160,202**	164,009	115,862	132,370
Cash flow from operating activities	**6,473**	3,192	1,115	--
Adjusted funds flow(1)	**4,597**	3,835	1,469	378
Per share – basic(2)(3)	**0.09**	0.09	0.03	0.70
Per share – diluted(2)(3)	**0.09**	0.09	0.03	0.29
Common shares *(thousands)*				
Weighted average – basic	**54,725**	43,930	41,834	726
Weighted average – diluted	**55,797**	43,930	42,360	1,739
Operating				
Daily average oil sales production *(bbl/d)(4)*	**1,478**	1,251	603	561
Rubellite average realized oil price(2)				
Average realized oil price *($/bbl)*	**116.21**	96.61	70.94	65.50
Average realized oil price – after risk management contracts*($/bbl)*	**70.09**	67.57	72.77	65.50

(1) Non-GAAP measure. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.
(2) Supplementary financial measure. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.
(3) Per share amounts are calculated using the weighted average number of basic or diluted common shares.
(4) Conventional heavy oil sales production excludes tank inventory volumes.

OPERATIONS UPDATE

At Marten Hills, the final eight-leg multi-lateral well of the four (2.0 net) well winter drilling program was rig released in early April. Two of the four winter drilling program wells reached the end of their initial 30-day production periods, recording IP30 rates of 142 bbl/d and 139 bbl/d as compared to the Marten Hills type curve(1) IP30 of 120 bbl/d. The remaining two winter-program wells reached the end of their initial 30-day production periods during May, also performing slightly stronger than the Marten Hills type curve with average IP30 rates of 186 and 179 bbl/d. With the rig racked on location at Marten Hills over spring break up, dry field conditions permitted the spud of two additional horizontal multi-lateral wells in June prior to re-locating the rig to Figure Lake. The two new wells were drilled at the Marten Hills Area's after payout working interest of 30%. The first well was rig released in mid-June, reached full recovery of its oil-based mud load fluid on July 6th and achieved an average IP30 rate of 188 bbl/d. The second adjacent well rig released in early July, reached full recovery of oil-based mud in late July and is performing positively, commensurate with the neighboring well.

Drilling operations at Ukalta related to the first quarter drilling program continued into early spring as the final Clearwater multi-lateral horizontal well on the 13-35 pad was rig released in April and a vertical water disposal well was subsequently drilled to reduce future water handling costs and enhance field netbacks. Production is now beginning to stabilize on the 13-35 pad, although production rates have been lower than the Ukalta type curve with higher water cuts and gas hampering operations. Following spring break-up, drilling in the Ukalta area re-commenced in early June at a new pad located at 5-26-57-18W4 (the "5-26 pad"), with three new wells drilled and rig released during the second quarter and a fourth well rig released in early July. All four wells have fully recovered their respective load oil and are now producing in their IP30 production periods, targeting to extend the primary Clearwater zone development to the north end of Rubellite's Ukalta area land base. Preliminary results confirm the pool extends to the north, however average production rates from the 5-26 pad appear to be stabilizing below the Ukalta type curve, as the reservoir thins and becomes more variable. Additionally, a vertical delineation well was drilled and cored in early July to evaluate the potential of the northwest portion of Rubellite's exploratory acreage position at Ukalta; however, preliminary log and core analysis results have unfortunately not been encouraging. The Ukalta drilling program has shifted back to the main development area with two of four planned development wells drilled thus far in the third quarter on a new pad located at 16-16-57-18W4 (the "16-16 pad"). Two additional multi-lateral wells at the 16-16 pad and up to four additional development wells planned for the Ukalta area are expected to keep one rig running continuously until mid-way through the fourth quarter.

At Figure Lake, drilling operations recommenced in early July as surface access conditions permitted, with the drilling of a vertical water disposal well to enhance field netbacks and to provide additional reservoir quality information on the prospective Clearwater zone. With positive encouragement from the stratigraphic information obtained in this vertical well, two of up to nine new horizontal multi-lateral wells planned for the remainder of 2022 have been rig released and are recovering oil-based load fluid.

Finally, in late June, Rubellite windowed a third rig to evaluate an exploration prospect at Alpen, approximately ten miles west of Figure Lake. A vertical exploration well was cored and logged, and a six-leg multi-lateral exploratory follow-up well was drilled to evaluate the production capability of the mapped Clearwater heavy oil resource. Preliminary production performance indicates the quality of the oil in the Alpen prospect is heavier than desired. Performance will continue to be monitored to evaluate future follow-up potential.

The Company has been successful at partially mitigating the impact of inflationary pressures by improving drill bit performance and reducing drilling days, enhancing netbacks for oil-based mud recoveries which are credited back to drilling operations, and employing bulk-purchasing and other capital efficiency strategies.

(1) Type curve assumptions are based on the Total Proved Plus Probable Undeveloped reserves contained in the McDaniel Reserve Report as disclosed in the Company's Annual Information Form which is available under the Company's profile on SEDAR at www.sedar.com. "McDaniel" means McDaniel & Associates Consultants Ltd. independent qualified reserves evaluators. "McDaniel Reserve Report" means the independent engineering evaluation of the crude oil, natural gas and NGL reserves, prepared by McDaniel with an effective date of December 31, 2021, and a preparation date of March 9 2022.

2022 OUTLOOK AND GUIDANCE

During the second half of 2022, Rubellite plans to spend approximately $24 to $26 million to continue its two-rig drilling program into the fourth quarter of 2022 to drill, complete, equip and tie-in 20 (17.2 net) multi-lateral horizontal wells planned in its three core operating areas at Ukalta, Figure Lake and Marten Hills. Aside from a modest 10% increase to accommodate ongoing inflationary pressures, Rubellite's 2022 exploration and development capital program remains unchanged, with full year 2022 capital expenditures (see "Non-GAAP and Other Financial Measures") now expected to total $54 to $56 million, relative to previous 2022 capital expenditure guidance of $48 to $50 million.

The table below summarizes Rubellite's forecast exploration and development capital expenditures and anticipated horizontal multi-lateral drilling activities for 2022, excluding expenditures for exploratory drilling activity on its northern Clearwater trend exploratory land blocks, and undeveloped land purchases and acquisitions.

2022 Exploration and Development Forecast Capital Expenditures(1)(6)

	H1 2022(1)(4) (*$ millions*)	# of wells (*gross/net*)	H2 2022 (*$ millions*)	# of wells (*gross/net*)	2022 (*$ millions*)	# of wells (*gross/net*)
Development(1)(2)	**$30.0**	**17 / 14.3**	**$24 - $26**	**20 / 17.2**	**$54 - $56**	**37 / 31.5**
Ukalta(2)		10 / 10.0		7 / 7.0		17 / 17.0
Figure Lake(2)(3)		2 / 2.0		9 / 9.0		11 / 11.0
Marten Hills(2)		5 / 2.3		4 / 1.2		9 / 3.5
Service Wells		1 / 1.0		1 / 1.0		2 / 2.0
Exploration(5)	**$1.3**	**0 / 0.0**	**$3 - $5**	**4 / 3.0**	**$4 - $6**	**3 / 2.0**
Ukalta(5)		0 / 0.0		1 / 1.0		1 / 1.0
Alpen(2)		0 / 0.0		1 / 1.0		1 / 1.0
Northern(5)		0 / 0.0		2 / 1.5		2 / 1.5
Total(6)	**$31.3**	**17 / 14.3**	**$27 - $30**	**24 / 20.7**	**$58 - $62**	**40 / 33.5**

(1) Capital expenditures includes drill, complete, equip and tie-in capital spent during the period as well as spending for 2 vertical water disposal service wells, vertical evaluation wells, undeveloped land purchases and acquisitions, if any.
(2) Well count reflects multi-lateral wells rig released during the period but excludes two (2.0 net) vertical water disposal service wells in Q2 and Q3 2022 at Ukalta and Figure Lake respectively. One (1.0 net) well at Ukalta, one (1.0 net) well at Alpen, west of Figure Lake, and one (0.3 net) well at Marten Hills were spud late in Q2 2022 and rig released in early July.
(3) Capital expenditures at Figure Lake are reduced for the Figure Lake GORR which contributed $0.4 million in H1 2022 and is forecast to contribute $1.3 million in H2 2022.
(4) H1 2022 capital expenditures included $2.1 million for equipment, tubulars and OBM inventory procurement for the remainder of the 2022 drilling program. Capital expenditures for 2022 include spending for the vertical evaluation well at Ukalta and the two vertical water disposal wells.
(5) Exploration capital spending and well count includes 1 vertical evaluation well at Ukalta drilled in July.
(6) Non-GAAP measure. Refer to the section entitled "Non-GAAP and Other Financial Measures" for an explanation of composition.

During the second quarter, Rubellite spent $3.2 million to acquire 79.2 net sections of land through Crown land purchases and other transactions. Including lands acquired in the second quarter of 2022, the Company has grown its land position for exposure to the Clearwater play to over 298 net sections, up 187% from the 104 net sections held by Rubellite at its inception in July of 2021. A significant portion of the newly acquired lands are complementary to existing operating areas in Ukalta and Figure Lake on the southern Clearwater trend, while the remainder of the additional new acreage supplements Rubellite's exploratory acreage in the northern Clearwater play fairway and captures land on other Clearwater exploration prospects.

The Company is finalizing its plans to evaluate several of its northern Clearwater trend exploratory land blocks, including lands at West Dawson and Peavine, with the drilling of four to six (3.0 – 4.0 net) exploratory wells prior to April 1, 2023. Exploration capital expenditures are expected to include vertical evaluation and multi-lateral drilling activities on exploration blocks in the Northern Clearwater trend which are dependent on timing of surface access. Exploration and development capital expenditure guidance excludes undeveloped land purchases and additional acquisitions.

Forecast drilling activities are expected to be fully funded from adjusted funds flow (see "Non-GAAP and Other Financial Measures") and the Company's credit facility. The Figure Lake drilling program will be partially funded by the Figure Lake GORR, which is forecast to contribute $1.7 million in 2022.

The 2022 drilling program at Ukalta, Figure Lake and Marten Hills is expected to continue to drive progressive production growth over the remainder of 2022. Third quarter sales volumes are forecast to average between 1,600 and 1,800 bbl/d and will continue to ramp up through the balance of the year. Adjusting for several wells at Ukalta that have performed below the Ukalta area type curve, and the earlier than forecast conversion to the 30% after payout working interest at Marten Hills. Rubellite's full year 2022 forecast average sales production levels are expected to be between 1,700 and 2,000 bbl/d, down from previous guidance of 2,200 to 2,400 bbl/d.

	Previous 2022 Guidance	Revised 2022 Guidance
Production (bbl/d)	2,200 – 2,400	1,700 – 2,000
Development ($ millions)(1)	$48.0 - $50.0	$54.0 - $56.0
Multi-lateral development wells (net)	29.6	31.5
Heavy oil wellhead differential ($/bbl)(2)	$8.00 - $9.00	$9.00 - $10.00
Royalties ($/bbl)	11% - 12%	11% - 12%
Production & operating costs ($/bbl)	$5.50 - $6.50	$6.50 - $7.50
Transportation ($/bbl)	$5.50 - $6.50	$6.00 - $7.00
General & administrative ($/bbl)	$4.00 - $4.50	$4.50 - $5.50

(1) Non-GAAP ratio. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.
(2) Quality differential relative to Western Canadian Select.

SECOND QUARTER 2022 FINANCIAL AND OPERATING RESULTS

Cash Flow used in Investing Activities, Capital Expenditures, Acquisitions and Dispositions

Cash flow used in investing activities was $17.5 million as compared to $28.5 million in the first quarter of 2022. In addition to cash flow used in investing activities, Rubellite uses capital expenditures to measure its capital investments compared to the Company's annual budgeted expenditures. The capital budget excludes acquisition and disposition activities as well as the accounting impact of any accrual changes. "Capital expenditures" is not a standardized measure and, therefore, may not be comparable with the calculation of similar measures by other entities. For reconciliation of cash flow used in investing activities to capital expenditures, refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.

The following table summarizes capital spending for both property, plant and equipment assets and exploration and evaluation assets, excluding non-cash items:

(*$ thousands*)	**YTD 2022**	**Q2 2022**	Q1 2022
Exploration and development	**31,256**	**9,482**	21,774
Land and acquisitions	**16,960**	**3,223**	13,737
Capital expenditures (1)	**48,216**	**12,705**	35,511

(1) Non-GAAP measure. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

Wells drilled by area

(gross/net)	**YTD 2022**	**Q2 2022**	Q1 2022
Ukalta(1)(2)(3)	**10/10.0**	**4/4.0**	6/6.0
Figure Lake	**2/2.0**	**-/-**	2/2.0
Marten Hills(4)(5)	**5/2.3**	**2/0.8**	3/1.5
Total	**17/14.3**	**6/4.8**	11/9.5

(1) One (1.0 net) additional Ukalta well was spud on March 24, 2022 and rig released April 5, 2022 and not included in the Q1 2022 well count.
(2) One (1.0) net Ukalta well was a vertical water disposal well in Ukalta which is excluded from the Q2 2022 well count.
(3) One (1.0) net additional Ukalta well was spud on June 27, 2022 and rig released July 10, 2022 and not included in the Q2 2022 well count.
(4) One (0.5 net) additional Marten Hills well was spud on March 20, 2022 and rig released April 8, 2022 and not included in the Q1 2022 well count.
(5) One (0.3 net) additional Marten Hills well was spud on June 20, 2022 and rig released July 5, 2022 and not included in the Q2 2022 well count.

Rubellite's exploration and development spending in the second quarter of 2022 was $9.5 million. Drilling activity for the second quarter represented four (4.0 net) horizontal wells drilled at Ukalta, one water disposal well at Ukalta and two (0.8 net) wells drilled at Marten Hills. A sixth well at Ukalta and third well at Marten Hills were largely spent during the second quarter and were rig released in the beginning of the third quarter.

Near the end of the second quarter of 2022, an exploratory well at Alpen began drilling on June 24, 2022, with the majority of the capital spent during the second quarter. The well was rig released at the beginning of the third quarter.

Land spending in the second quarter of 2022 was $3.2 million to purchase 79.2 additional net sections of strategic land prospective for the Clearwater formation.

Exploration and development spending in the first quarter of 2022 was $21.8 million. Drilling activity for the first quarter of 2022 represented six (6.0 net) wells drilled at Ukalta, two (2.0 net) wells drilled at Figure Lake and three (1.5 net) wells drilled at Marten Hills. A seventh well at Ukalta and fourth well at Marten Hills were spud during the first quarter and were rig released in the beginning of the second quarter of 2022.

Land spending in the first quarter of 2022 was $13.7 million to purchase an additional 65.1 net sections of land in the Clearwater area.

2021 significant acquisitions

On September 3, 2021, the Clearwater Assets were acquired from Perpetual for aggregate consideration of $65.5 million. The consideration consisted of promissory notes totaling $59.4 million, which were paid in cash on October 5, 2021, the issuance of 680,485 Rubellite common shares valued at $1.4 million, the return of 8.2 million Perpetual common shares exchanged in the Arrangement valued at $2.8 million and issuance of warrants to purchase 4.0 million Rubellite common shares at a price of $3.00 per share for a period of five years, valued at $2.0 million.

Production

	YTD 2022	Q2 2022	Q1 2022
Production			
Average daily heavy crude oil *(bbl/d)* – production(1)	**1,350**	**1,476**	1,223
Average daily heavy crude oil *(bbl/d)* – sales(1)	**1,365**	**1,478**	1,251
Total production (*bbl/d*)	**1,365**	**1,478**	1,251

(1) The Company's heavy oil sales volumes and production volumes differ due to changes in inventory.

Second quarter sales production averaged 1,478 bbl/d, up 227 bbl/d or 18% from 1,251 bbl/d in the first quarter.

At the end of the second quarter, an additional eight (6.3 net) wells were contributing to sales production with one additional well drilled at Ukalta during the second quarter on-production early in the third quarter. As of June 30, 2022, there were thirty six (33.0 net) wells contributing to sales production, as compared to twenty eight (26.0 net) wells on production at the end of the first quarter of 2022. Production has progressively ramped up through the first half of 2022 as new wells fully recovered base-oil load fluid, filled tank inventories and then commenced delivery to sales terminals. Third quarter production volumes are expected to average between 1,600 and 1,800 bbl/d and will continue to ramp up through the balance of the year. The Company's full year 2022 average forecast sales production guidance is between 1,700 and 2,000 bbl/d down from previous guidance of between 2,200 and 2,400 bbl/d.

Oil Revenue

(*$ thousands, except as noted*)	YTD 2022	Q2 2022	Q1 2022
Oil revenue			
Oil revenue	**26,508**	**15,632**	10,876
Reference prices			
West Texas Intermediate ("WTI") *(US$/bbl)*	**101.35**	**108.41**	94.29
Exchange rate *(US$/CAD$)*	**1.27**	**1.28**	1.27
West Texas Intermediate ("WTI") *(CAD$/bbl)*	**128.86**	**138.44**	119.39
Western Canadian Select ("WCS") differential *(US$/bbl)*	**(13.67)**	**(12.80)**	(14.53)
WCS *(CAD$/bbl)*	**111.55**	**122.09**	101.01
Rubellite average realized prices(1)			
Average realized oil price *($/bbl)*	**107.28**	**116.21**	96.61

(1) Supplementary financial measure. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

Rubellite's oil revenue for the three months ended June 30, 2022 of $15.6 million increased from $10.9 million during the first quarter of 2022, due to the 18% increase in production. Additionally, commodity prices increased during the second quarter of 2022, when compared to the first quarter of 2022, driven by higher WTI reference prices. The increase in the WCS average price was due to the increase in WTI oil prices which averaged US$108.41/bbl (Q1 2022 – US$94.29/bbl) during the second quarter and narrowed the price differential.

Risk Management Contracts

The Company's realized price deviates from the index due to the Company's market diversification strategies that balances pricing exposure. The Company uses "average realized prices after risk management contracts" which is not a standardized measure, and therefore may not be comparable with the calculation of similar measures by other entities. The measure is used by management to calculate the Company's net realized commodity prices, taking into account the monthly settlements of financial crude oil forward sales and basis differentials contracts. These contracts are put in place to protect Rubellite's cash flows from potential volatility.

(*$ thousands, except as noted*)	YTD 2022	Q2 2022	Q1 2022
Unrealized gain (loss) on risk management contracts	**(6,933)**	**3,647**	(10,580)
Realized gain (loss) on risk management contracts	**(9,472)**	**(6,203)**	(3,269)
Realized gain (loss) on risk management contracts *($/bbl)*	**(38.33)**	**(46.12)**	(29.04)
Average realized oil price after risk management contracts(1)	**68.95**	**70.09**	67.57

(1) Non-GAAP ratio. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

Realized losses on risk management contracts totaled $6.2 million or $46.12/boe for the second quarter of 2022, compared to losses of $3.3 million or $29.04/boe for the first quarter of 2022. Hedging losses are attributable to reference price fluctuations relative to pricing on commodity contracts with losses increasing as WTI oil prices strengthen.

For the second quarter of 2022, Rubellite recorded an unrealized gain on risk management contracts of $3.6 million (Q1 2022 – $10.6 million unrealized loss). Unrealized gains and losses represent the change in mark-to-market value of risk management contracts as forward commodity prices and foreign exchange rates change. Unrealized gains and losses on risk management contracts are excluded from the Company's calculation of cash flow from (used in) operating activities as non-cash items. Risk management contract gains and losses vary depending on the nature and extent of the risk management contracts in place, which in turn, vary with the Company's assessment of commodity price risk, committed capital spending and other factors.

Royalties

($ thousands, except as noted)	YTD 2022	Q2 2022	Q1 2022
Oil royalties – crown	**1,493**	**799**	694
Oil royalties – freehold	**1,447**	**1,023**	424
Total royalties	**2,940**	**1,822**	1,118
$/boe	**11.90**	**13.55**	9.93
Crown *(% of oil revenue)*[1]	**5.6**	**5.1**	6.4
Freehold and overriding *(% of oil revenue)*[1]	**5.5**	**6.5**	3.9
Total *(% of oil revenue)*[1]	**11.1**	**11.7**	10.3

(1) Non-GAAP ratio. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

Total royalties for the second quarter of 2022 were $1.8 million, 63% higher than the first quarter of 2022 as a result of increased production and higher reference prices. On a unit-of-production basis, royalties were up 36% to $13.55/boe (Q1 2022 – $9.93/boe). Royalties as a percentage of revenue for the second quarter of 2022 were 11.7% which was an increase from the first quarter of 2022, as prices increased which impact the freehold and overriding royalty calculations. The Company expects royalties to average 11% to 12% of revenue for 2022.

Production and operating expenses

($ thousands, except as noted)	YTD 2022	Q2 2022	Q1 2022
Production and operating expenses	**2,457**	**1,347**	1,110
$/boe	**9.94**	**10.01**	9.86

Total production and operating expenses for the second quarter of 2022 increased 21% when compared to the first quarter on higher production.

Total production and operating expenses on a unit of production basis increased 2% to $10.01/boe for the second quarter of 2022, compared to $9.86/boe for the first quarter of 2022. The increase was related to higher overall field labor, chemicals, water disposal cost and contract services related to the start-up operations of new wells. The increase was partially offset by the effect of higher production across the fixed component of operating costs.

For the second half of 2022, the Company expects unit-of-production costs to normalize with growing production volumes. With the ongoing drilling activity, sales production levels are forecast to increase, and load oil recoveries are expected to represent a progressively lower percentage of sales production. Water handling costs have averaged approximately 25% of operating costs, capital invested in water disposal infrastructure during Q2 will reduce future water handling costs. On average, the Company expects operating costs to average between $6.50 and $7.50 per bbl for 2022.

Transportation costs

($ thousands, except as noted)	YTD 2022	Q2 2022	Q1 2022
Transportation costs	**1,551**	**898**	653
$/boe	**6.28**	**6.68**	5.80

Transportation costs include clean oil trucking costs. For the second quarter of 2022, transportation costs were $0.9 million, a 38% increase from the first quarter of 2022 as a result of increased production. On a unit-of-production basis, transportation costs were higher at $6.68/boe in the second quarter of 2022 (Q1 2022 – $5.80/boe) as a result of higher fuel prices and fuel surcharges.

The Company expects transportation costs to average between $6.00 and $7.00 per bbl in 2022.

Operating netbacks

"Operating netback" is a non-GAAP measure determined by deducting royalties, production and operating expenses, and transportation costs from oil revenue. Operating netback is also calculated on a per boe basis using total production sold in the period. Rubellite considers operating netback to be an important performance measure to evaluate its operational performance as it demonstrates its profitability relative to commodity prices. Operating netback is not a standardized measure and, therefore, may not be comparable with the calculation of similar measures by other entities.

The following table highlights Rubellite's operating netbacks**:**

	YTD 2022		**Q2 2022**		Q1 2022	
Sales production (*bbl/d*)		**1,365**		**1,478**		1,251
($/boe) ($ thousands)	$/boe	$	$/boe	$	$/boe	$
Oil revenue	**107.28**	**26,508**	**116.21**	**15,632**	96.61	10,876
Royalties	**(11.90)**	**(2,940)**	**(13.55)**	**(1,822)**	(9.93)	(1,118)
Production and operating expenses	**(9.94)**	**(2,457)**	**(10.01)**	**(1,347)**	(9.86)	(1,110)
Transportation costs	**(6.28)**	**(1,551)**	**(6.68)**	**(898)**	(5.80)	(653)
Operating netback[1]	**79.16**	**19,560**	**85.97**	**11,565**	71.02	7,995
Realized gains (losses) on risk management contracts	**(38.33)**	**(9,472)**	**(46.12)**	**(6,203)**	(29.04)	(3,269)
Total operating netback, including risk management contracts	**40.83**	**10,088**	**39.85**	**5,362**	41.98	4,726

(1) Non-GAAP measure. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

For the second quarter, Rubellite's operating netback, excluding risk management contracts, was $11.6 million ($85.97/boe) compared to $8.0 million ($71.02/boe) in the first quarter of 2022. The increase was due to higher oil revenue driven by higher production and strong oil prices, with WTI benchmark prices averaging US$108.41/bbl for the period. This increase was partially offset by higher costs in all areas as a result of increased production, higher royalties and increased fuel prices and fuel surcharges.

For the second quarter, Rubellite's operating netback, including risk management contracts, was $5.4 million ($39.85/boe) compared to $4.7 million ($41.98/boe) in the first quarter of 2022 as realized losses on risk management contracts reduced operating netbacks by $6.2 million ($46.12/bbl).

General and administrative ("G&A") expenses

($ thousands, except as noted)	**YTD 2022**	**Q2 2022**	Q1 2022
G&A expenses – excluding MSA costs[1]	**749**	**345**	404
G&A expenses – MSA costs[1]	**723**	**410**	313
Total G&A expenses	**1,472**	**755**	717
$/boe	**5.96**	**5.61**	6.37

(1) In conjunction with the Arrangement, Rubellite has a MSA with Perpetual whereby Rubellite makes payment for certain technical and administrative services provided to Rubellite on a relative production split cost sharing basis.

In conjunction with the Arrangement, Rubellite entered into a Management and Operating Services Agreement ("MSA") with Perpetual whereby Rubellite makes payments for certain technical and administrative services provided to Rubellite on a relative production split cost sharing basis. For the three and six months ended June 30, 2022, the costs billed under the MSA to Rubellite were $0.4 million and $0.7 million, respectively. The increase in costs billed under the MSA during the second quarter of 2022 related to higher relative production split and higher personnel costs on higher capital activity.

During the second quarter of 2022, G&A expenses, excluding MSA costs, were $0.3 million as compared to $0.4 million in the first quarter of 2022. General and administrative expenses, excluding MSA costs, consist primarily of legal fees, information systems licenses, audit fees, reserves assessment and tax related consulting fees. The decrease in costs in the second quarter of 2022 related to higher legal fees in the first quarter for professional services. On a unit-of-production basis, G&A costs decreased to $5.61/boe from $6.37/boe in the first quarter as a result of increased production.

The Company expects G&A costs to average between $4.50 and $5.50 per bbl in 2022.

Depletion

($ thousands, except as noted)	**YTD 2022**	**Q2 2022**	Q1 2022
Depletion	**5,412**	**3,154**	2,258
$/boe	**21.90**	**23.45**	20.05

The Company calculates depletion using the net book value of the asset, future development costs associated with proved and probable reserves, less salvage values on associated production equipment, as well as proved plus probable reserves. As at June 30, 2022, depletion was calculated on a $100.8 million depletable balance (December 31, 2021 – $74.0 million), $32.6 million in future development costs (December 31, 2021 – $46.5 million) and excluded an estimated $0.4 million of salvage value (December 31, 2021 – $0.4 million).

Depletion expense for the second quarter of 2022 was $3.2 million or $23.45/boe (Q1 2022 – $2.3 million or $20.05/boe). The increase from the first quarter of 2022 reflects the increase in production volumes, and an increase in the depletable base on higher capital spending and increased proved plus probable reserves.

Impairment

There were no indicators of impairment for the Company's cash-generating unit as at June 30, 2022 and therefore, an impairment test was not performed.

E&E assets are tested for impairment when internal or external indicators of impairment exist as well as upon their eventual reclassification to oil and natural gas interests in PP&E. At June 30, 2022, there were no triggers identified and therefore an impairment test was not performed.

LIQUIDITY, CAPITALIZATION AND FINANCIAL RESOURCES

Rubellite's strategy targets the maintenance of a strong capital base to retain investor, creditor and market confidence to support the execution of its business plans. The Company manages its capital structure and adjusts its capital spending in light of changes in economic conditions, available liquidity, and the risk characteristics of its underlying heavy oil assets. The Company considers its capital structure to include share capital, revolving bank debt, and adjusted working capital. To manage its capital structure and available liquidity, the Company may from time to time issue equity or debt securities, sell assets, and adjust its capital spending to manage current and projected debt levels. The Company will continue to regularly assess changes to its capital structure, with considerations for both short-term liquidity and long-term financial sustainability.

Rubellite uses net debt, adjusted working capital, enterprise value and trailing twelve-months adjusted funds flow as important indicators of capital resources, capital management and liquidity. Net debt includes the carrying value of bank debt and deducting any borrowings from adjusted working capital. Adjusted working capital is current assets less current liabilities, adjusted for the removal of the current portion of risk management contracts. Rubellite uses net debt as an alternative measure of outstanding debt. Management considers net debt and adjusted working capital as important measures in assessing the liquidity of the Company. Net debt and net debt to adjusted funds flow ratios are used by management to assess the Company's overall debt position and borrowing capacity. For calculation of adjusted working capital and adjusted funds flow, refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.

Enterprise value is calculated by multiplying the current shares outstanding by the market price at the end of the period and then adjusting it by the net debt. The Company considers enterprise value as an important measure as it normalizes the market value of the Company's shares for its capital structure. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.

Available liquidity is defined as Rubellite's reserve-based credit facility (the "Credit Facility") borrowing limit, plus any cash and cash equivalents, less any borrowings and letters of credit issued under the Credit Facility. Management uses available liquidity to assess the ability of the Company to finance capital expenditures and expenditures on decommissioning obligations, and to meet its financial obligations. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.

Capital Management

(*$ thousands, except as noted*)	**June 30, 2022**	December 31, 2021
Revolving bank debt	–	–
Adjusted working capital surplus(1)	**(2,654)**	(5,375)
Net debt (asset) (1)	**(2,654)**	(5,375)
Shares outstanding at end of period (*thousands*)	**54,725**	43,809
Market price at end of period (*$/share*)	**3.26**	2.24
Market value of shares(1)	**178,404**	98,132
Enterprise value(1)	**175,750**	92,757

(1) Non-GAAP measure. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

At June 30, 2022, Rubellite had an adjusted working capital surplus of $2.7 million, down from $5.4 million from December 31, 2021 as a result of the $38.7 million equity financings that closed on March 30, 2022, partially offset by the $31.2 million first half of 2022 capital program spent to drill eighteen (15.3 net) wells during 2022 and land purchases of $17.0 million.

Rubellite had available liquidity at June 30, 2022 of $41.1 million, comprised of the $25.0 million Credit Facility borrowing limit and cash and cash equivalents of $16.1 million. On March 5, 2022, the borrowing limit on the Company's reserves-based revolving credit facility was increased to $25.0 million and the initial term was extended by 12 months to May 31, 2023.

Equity

At June 30, 2022 there were 54.7 million common shares outstanding and 4.0 million Share Purchase Warrants. On March 30, 2022, Rubellite completed bought deal and non-brokered private placement financings, raising gross proceeds of $38.7 million through the issuance of approximately 10.9 million shares priced at $3.55 per share.

The following table summarizes information about options and performance and restricted awards outstanding as the date of this MD&A:

(*millions*)	**August 10, 2022**
Restricted share units	232
Share options	844
Performance share units	347
Total	**1,423**

Commodity price risk management

As at August 10, 2022, the Company had entered into the following commodity swap contracts:

Commodity	Volumes sold *(bbl/d)*	Term	Reference/Index	Contract Traded Bought/sold	Average Price *(CAD$/bbl)*
Crude Oil	400 bbl/d	Aug 1 – Aug 31, 2022	WCS FP (CAD$/bbl)	Swap – buy	$119.25
Crude Oil	200 bbl/d	Aug 1 – Dec 31, 2022	WCS FP (CAD$/bbl)	Swap – sold	$76.15
Crude Oil	1,100 bbl/d	Aug 1 – Dec 31, 2022	WTI (CAD$/bbl)	Swap – sold	$91.66
Crude Oil	100 bbl/d	Jan 1 – Dec 31, 2023	WTI (US$/bbl)	Swap – sold	$76.83

As at August 10, 2022, the Company entered into the following swap WTI-WCS basis differential:

Commodity	Volumes sold	Term	Reference/Index	Average Price *(CAD$/bbl)*
Crude Oil	1,100 bbl/d	Aug 1 – Dec 31, 2022	WCS Differential - sold	(17.79)
Crude Oil	200 bbl/d	Jan 1 – Dec 31, 2023	WCS Differential - sold	(17.75)

As at August 10, 2022, the Company entered into the following foreign exchange contracts:

Contract	Notional amount	Term	Price *(US$/CAD$)*
Average rate forward (US$/CAD$)	$500,000 US$/month	Jan 1 – Dec 31, 2023	1.3039

COMMITMENTS AND CONTRACTRUAL OBLIGATIONS

Rubellite has no operating commitments and no amounts are currently drawn under the Credit Facility.

OFF BALANCE SHEET ARRANGEMENTS

Rubellite has no off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

In conjunction with the Arrangement, Rubellite entered into the MSA with Perpetual whereby Perpetual receives payment for certain technical and administrative services provided to Rubellite on a cost recovery basis. For the three and six month periods ended June 30, 2022, the amount of general and administrative costs charged to Rubellite through the MSA was $0.4 million and $0.7 million, respectively. As a result of various other transactions between the parties, the Company recorded an accounts payable of $2.6 million owing to Perpetual.

NON-GAAP AND OTHER FINANCIAL MEASURES

Throughout this MD&A and in other materials disclosed by the Company, Rubellite employs certain measures to analyze financial performance, financial position and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss), cash flow from operating activities, and cash flow from investing activities, as indicators of Rubellite's performance.

Non-GAAP Financial Measures

Capital Expenditures: Rubellite uses capital expenditures related to exploration and development to measure its capital investments compared to the Company's annual capital budgeted expenditures. Rubellite's capital budget excludes acquisition and disposition activities as well as the accounting impact of any accrual changes.

The most directly comparable GAAP measure for capital expenditures is cash flow used in investing activities. A summary of the reconciliation of cash flow used in investing activities to capital expenditures, is set forth below:

	YTD 2022	**Q2 2022**	Q1 2022
Net cash flows used in investing activities	**45,980**	**17,508**	28,472
Acquisitions	**-**	**-**	–
Change in non-cash working capital	**2,236**	**(4,803)**	7,039
Capital expenditures	**48,216**	**12,705**	35,511

Operating netbacks and total operating netbacks after risk management contracts: Operating netback is calculated by deducting royalties, production and operating expenses, and transportation costs from oil revenue. Operating netback is also calculated on a per boe basis using total production sold in the period. Total operating netbacks after risk management contracts is presented after adjusting for realized gains or losses from risk management contracts. Rubellite considers that operating netbacks is a key industry performance indicator and one that provides investors with information that is also commonly presented by other crude oil and natural gas producers. Rubellite considers operating netback to be an important performance measure to evaluate its operational performance as it demonstrates its profitability relative to current commodity prices. Rubellite considers the presentation after risk management contracts an important measure to evaluate performance after risk management activities. Refer to reconciliations in the MD&A under the "Operating Netbacks" section.

Net Debt/Asset: Net debt or net asset is calculated by deducting any borrowing from adjusted working capital. Adjusted working capital is current assets less current liabilities, adjusted for the removal of the current portion of risk management contracts. Rubellite uses net debt, or net asset, as an alternative measure of outstanding debt. Management considers net debt, net asset and adjusted working capital as important measures in assessing the liquidity of the Company. Net debt and net debt to adjusted funds flow ratios are used by management to assess the Company's overall debt position and borrowing capacity. Net debt to adjusted funds flow ratios are calculated on a trailing twelve-month basis. Net debt is not a standardized measure and therefore may not be comparable to similar measures presented by other entities.

Adjusted working capital: Adjusted working capital deficiency or surplus includes total current assets and current liabilities excluding any current portion of risk management contract assets and liabilities related to the Company's risk management activities.

The following table reconciles adjusted working capital and net debt as reported in the Company's statements of financial position:

	As at June 30, 2022	As at December 31, 2021
Current assets	**23,670**	22,441
Current liabilities	**(29,012)**	(18,317)
Working capital (surplus) deficiency	**5,342**	(4,124)
Risk management contracts – current asset	**52**	62
Risk management contracts – current liability	**(8,048)**	(1,313)
Adjusted working capital surplus	**(2,654)**	(5,375)
Bank indebtedness	**-**	–
Net debt (asset)	**(2,654)**	(5,375)

Adjusted funds flow: Adjusted funds flow is calculated based on net cash flows from operating activities, excluding changes in non-cash working capital and expenditures on decommissioning obligations since the Company believes the timing of collection, payment or incurrence of these items is variable. Expenditures on decommissioning obligations may vary from period to period depending on capital programs and the maturity of Rubellite's operating areas. Expenditures on decommissioning obligations are managed through the capital budgeting process which considers available adjusted funds flow. Management uses adjusted funds flow and adjusted funds flow per boe as key measures to assess the ability of the Company to generate the funds necessary to finance capital expenditures, expenditures on decommissioning obligations and meet its financial obligations.

Adjusted funds flow is not intended to represent net cash flows from operating activities calculated in accordance with IFRS.

The following table reconciles net cash flows from operating activities as reported in the Company's condensed interim statements of cash flows, to adjusted funds flow:

(*$ thousands, except as noted*)	**YTD 2022**	**Q2 2022**	Q1 2022
Net cash flows from operating activities	**9,665**	**6,473**	3,192
Change in non-cash working capital	**(1,233)**	**(1,876)**	643
Adjusted funds flow	**8,432**	**4,597**	3,835
Adjusted funds flow per share – basic and diluted	**0.15**	**0.09**	0.09
Adjusted funds flow per boe	**34.13**	**34.18**	34.06

Available Liquidity: Available liquidity is defined as Rubellite's reserve-based credit facility borrowing limit, plus any cash and cash equivalents, less any borrowings and letters of credit issued under the Credit Facility. Management uses available liquidity to assess the ability of the Company to finance capital expenditures and expenditures on decommissioning obligations, and to meet its financial obligations.

Enterprise value: Enterprise value is equal to net debt plus the market value of issued equity, and is used by management to analyze leverage. Enterprise value is calculated by multiplying the current shares outstanding by the market price at the end of the period and then adjusting it by the net debt. The Company considers enterprise value as an important measure as it normalizes the market value of the Company's shares for its capital structure.

Non-GAAP Financial Ratios

Rubellite calculates certain non-GAAP measures per boe as the measure divided by weighted average daily production. Management believes that per boe ratios are a key industry performance measure of operational efficiency and one that provides investors with information that is also commonly presented by other crude oil and natural gas producers. Rubellite also calculates certain non-GAAP measures per share as the measure divided by outstanding common shares, weighted average common shares or diluted weighted average common shares.

Net debt to adjusted funds flow ratio: Net debt to adjusted funds flow ratios are calculated on a trailing twelve-month basis.

Adjusted funds flow per share: Adjusted funds flow per share is calculated using the weighted average number of basic and diluted shares outstanding used in calculating net income (loss) per share.

Adjusted funds flow per boe: Adjusted funds flow per boe is calculated as adjusted funds flow divided by total oil production sold in the period.

Supplementary Financial Measures

"Average realized oil price" is comprised of total oil revenue, as determined in accordance with IFRS, divided by the Company's total sales oil production on a per barrel basis.

"Average realized price after gain or loss on risk management" is comprised of realized gain on risk management contracts, as determined in accordance with IFRS, divided by the Company's total sales oil production.

"Royalties as a percentage of oil revenue" is comprised of royalties, as determined in accordance with IFRS, divided by oil revenue from sales oil production as determined in accordance with IFRS.

"Royalties per boe" is comprised of royalties, as determined in accordance with IFRS, divided by the Company's total sales oil production.

"Production and operating expense per boe" is comprised of operating expense, as determined in accordance with IFRS, divided by the Company's total sales oil production.

"Transportation cost per boe" is comprised of transportation cost, as determined in accordance with IFRS, divided by the Company's total sales oil production.

"G&A expense per boe" is comprised of G&A expense, as determined in accordance with IFRS, divided by the Company's total sales oil production.

"Depletion and depreciation expense per boe" is comprised of DD&A expense, as determined in accordance with IFRS, divided by the Company's total sales oil production.

“Market value of shares” is comprised of common shares outstanding multiplied by the market price of shares.

“Net debt to adjusted funds flow” is comprised of net debt divided by the trailing twelve-months of adjusted funds flow.

FUTURE ACCOUNTING PRONOUNCEMENTS

The International Accounting Standards Board (“IASB”) and the IFRS Interpretations Committee regularly issue new and revised accounting pronouncements which have future effective dates and therefore are not reflected in Rubellite’s financial statements. Once adopted, these new and amended pronouncements may have an impact on Rubellite’s condensed interim financial statements. Rubellite’s analysis of recent accounting pronouncements is included in the notes to the financial statements at December 31, 2021.

CORPORATE GOVERNANCE

The Corporation is committed to maintaining high standards of corporate governance. Each regulatory body, including the Toronto Stock Exchange and the Canadian provincial securities commissions, has a different set of rules pertaining to corporate governance. The Corporation fully conforms to the rules of the governing bodies under which it operates.

INTERNAL CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

There were no changes in the Corporation’s internal control over financial reporting during the period beginning on April 1, 2022 and ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

FORWARD-LOOKING INFORMATION

Certain information in this MD&A including management's assessment of future plans and operations, and including the information contained under the headings “Operations Update” and “2022 Outlook and Guidance” 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: future capital expenditure and production forecasts; the anticipated sources of funds to be used for capital spending; the number of drilling rigs to be operated over certain time periods; expectations as to drilling activity plans in various areas and the benefits to be derived from such drilling including the production growth; expectations respecting Rubellite's future exploration, development and drilling activities and Rubellite's business plan.

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 MD&A. In particular and without limitation of the foregoing, material factors or assumptions on which the forward-looking information in this MD&A is based include: the successful operation of the Clearwater assets; forecast commodity prices and other pricing assumptions; forecast production volumes based on business and market conditions; foreign exchange and interest rates; near-term pricing and continued volatility of the market including inflationary pressures; 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; Rubellite's ability to operate under the management of Perpetual pursuant to the MSA; the ability of Rubellite to obtain and retain qualified staff and equipment in a timely and cost-efficient manner, as applicable; the retention of key properties; forecast inflation, supply chain access 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 and Russia's invasion of Ukraine and related sanctions 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 Rubellite's Annual Information Form and MD&A for the year ended December 31, 2021 and in other reports on file with Canadian securities regulatory authorities which may be accessed through the SEDAR website (www.sedar.com) and at Rubellite's website (www.rubelliteenergy.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.

GLOSSARY

The following is a list of abbreviations that may be used in this MD&A:

Measurement:

bbl	barrel
bbl/d	barrels per day
Mbbl	thousand barrels
MMbbl	million barrels
boe[1]	barrels of oil equivalent
boe/d[1]	barrels of oil equivalent per day
Mboe[1]	thousands of barrels of oil equivalent

Oil and Gas Metrics:

This MD&A contains certain oil and gas metrics which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included in this document to provide readers with additional measures to evaluate Rubellite's performance; however, such measures are not reliable indicators of Rubellite's future performance and future performance may not compare to Rubellite's performance in previous periods and therefore such metrics should not be unduly relied upon.

Volume Conversions:

Barrel of oil equivalent ("boe") may be misleading, particularly if used in isolation. In accordance with National Instrument 51-101 ("NI 51-101"), a conversion ratio for conventional natural gas of 6 Mcf:1 bbl has been used, which is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, utilizing a conversion on a 6 Mcf:1 bbl basis may be misleading as an indicator of value as the value ratio between conventional natural gas and heavy crude oil, based on the current prices of natural gas and crude oil, differ significantly from the energy equivalency of 6 Mcf:1 bbl. A conversion ratio of 1 bbl of heavy crude oil to 1 bbl of NGL has also been used throughout this MD&A. Refer to the "Production" section of this MD&A for details of constituent product components that comprise Rubellite's boe production.

Initial Production Rates:

Any references in this MD&A to initial production rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter and are not necessarily indicative of long-term performance or ultimate recovery. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Such rates are based on field estimates and may be based on limited data available at this time.

Financial and Business Environment:

AECO	Alberta Energy Company (natural gas benchmark hub)
E&E	Exploration and evaluation
ESG	Environmental, social and governance
GAAP	Generally accepted accounting principles
G&A	General and administrative
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
PP&E	Property, plant and equipment
TSX	Toronto Stock Exchange
WTI	West Texas Intermediate
WCS	Western Canadian Select