



## NEWS RELEASE

### RUBELLITE ENERGY INC. ANNOUNCES ROYALTY SALE AND RISK MANAGEMENT UPDATE

**Calgary, Alberta – December 4, 2023 (TSX:RBY)** – Rubellite Energy Inc. ("Rubellite", or the "Company"), a pure play Clearwater oil exploration and development company, is pleased to announce that it has closed an agreement with Source Rock Royalties Ltd. (TSXV: SRR - the "Purchaser") for the sale of a gross overriding royalty ("GORR") on certain lands within the Figure Lake and Edward areas (the "GORR Transaction"), and to provide an update on the Company's other recent risk management activities.

#### GORR TRANSACTION

The GORR Transaction provides for a 1.5% non-convertible GORR to the Purchaser in exchange for cash consideration of \$8.0 million, reverting to a 1.0% non-convertible GORR after payout. The new GORR applies to 95 net sections of land with approximately 80% of the acreage undeveloped and representing 62% of Rubellite's land position in the Figure Lake and Edward areas. Proceeds of the GORR Transaction will be used to initially reduce debt and partially fund the Company's ongoing capital program.

As previously announced, the Company was drawn approximately \$40 million on its recently expanded \$60 million credit facility at the end of November, prior to the GORR transaction. Proforma the GORR Transaction, Rubellite's bank draw is approximately \$32 million.

As part of the Company's recent credit facility expansion, the \$60 million borrowing limit is scheduled to reduce by \$5 million at the end of each quarter, starting on March 31, 2024. In addition, disposition proceeds in excess of \$5 million permanently reduce the borrowing limit on the credit facility, and corresponding standby charges. The GORR Transaction triggers a modest step down of the borrowing limit to \$57 million effective December 4, 2023.

#### RISK MANAGEMENT UPDATE

As part of the Company's ongoing risk management activities, Rubellite has layered in additional hedges for 2024 downside price protection and now has varying contracts in place to manage West Texas Intermediate and Western Canadian Select price exposure for an average 2,150 bbl/d for calendar year 2024 at an estimated WCS price of CAD\$83.02/bbl.

As at December 4, 2023, the Company has the following commodity risk management contracts outstanding:

Commodity	Volumes Sold (bbl/d)	Term	Reference/Index	Contract Traded Bought/Sold	Average Price (\$/bbl)
Crude Oil	1,500 bbl/d	Dec 2023	WTI (USD\$/bbl)	Swap - sold	\$76.83
Crude Oil	100 bbl/d	Dec 2023	WTI (CAD\$/bbl)	Swap - sold	\$101.50
Crude Oil	1,100 bbl/d	Dec 2023	WCS - WTI Differential (USD\$/bbl)	Swap - sold	(\$17.31)
Crude Oil	500 bbl/d	Dec 2023	WCS - WTI Differential (CAD\$/bbl)	Swap - sold	(\$19.49)
Crude Oil	1,750 bbl/d	Jan 2024 - Dec 2024	WTI (CAD\$/bbl)	Swap - sold	\$104.48
Crude Oil	200 bbl/d	Jan 2024 - Dec 2024	WTI (USD\$/bbl)	Swap - sold	\$78.75
Crude Oil	200 bbl/d	Jan 2024 - Dec 2024	WCS (CAD\$/bbl)	Swap - sold	\$84.33
Crude Oil	1,600 bbl/d	Jan 2024 - Dec 2024	WCS - WTI Differential (CAD\$/bbl)	Swap - sold	(\$21.50)

#### 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 funds flow generation while maintaining a conservative capital structure and prioritizing environmental, social and governance ("ESG") excellence. Additional information on Rubellite and the Acquisition can be accessed on the Company's website at [www.rubelliteenergy.com](http://www.rubelliteenergy.com) or on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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

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## ADVISORIES

### BOE VOLUME CONVERSIONS

Barrel of oil equivalent ("boe") may be misleading, particularly if used in isolation. In accordance with 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 news release.

### ABBREVIATIONS

The following abbreviations used in this news release have the meanings set forth below:

bbl	barrels
bbl/d	barrels per day
boe	barrels of oil equivalent

### INITIAL PRODUCTION RATES

Any references in this news release to initial production rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinate 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.

### FORWARD-LOOKING INFORMATION

Certain information in this news release including management's assessment of future plans and operations, and including the information contained under the headings "Operations Update" and "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: the anticipated benefits to be derived from the Acquisition, the closing of the Acquisition, the timing for the completion of the Acquisition and the funding of the Acquisition; future capital expenditures, production and various cost forecasts; the anticipated sources of funds to be used for capital spending; expectations as to drilling activity, regulatory application and the benefits to be derived from such drilling including production growth; expectations respecting Rubellite's future exploration, development and drilling activities and Rubellite's business plan; and including the information and statements contained under the heading "Outlook and Guidance" and "About Rubellite".

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 completion of the Acquisition; 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; 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 and future capital funding requirements (equity or debt); Rubellite's ability to operate under the management of Perpetual Energy Inc. pursuant to the management and operating services agreement; 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; climate change; severe weather events (including wildfires); 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; cybersecurity breaches; the ongoing and future impact of pandemics (including COVID-19); the war in Ukraine and related sanctions on commodity prices and the global economy; the Israel-Hamas war 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, 2022 and in other reports on file with Canadian securities regulatory authorities which may be accessed through the SEDAR+ website [www.sedarplus.ca](http://www.sedarplus.ca) and at Rubellite's website [www.rubelliteenergy.com](http://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.