



NEWS RELEASE

RUBELLITE ENERGY INC. ANNOUNCES FOURTH QUARTER 2023 PRODUCTION AND POSITIVE STEP-OUT WELL RESULTS AT FIGURE LAKE, AND PROVIDES HEDGING UPDATE

Calgary, Alberta – January 16, 2024 (TSX:RBY) – Rubellite Energy Inc. ("Rubellite" or the "Company"), a pure play Clearwater oil exploration and development company, is pleased to release its preliminary fourth quarter 2023 and current production results, update commodity price risk management contracts and provide an operational update, all of which highlight successful advancement of Rubellite's growth focused business plan centered around the attractive Clearwater play. Highlights include:

- Preliminary Q4 2023 average heavy oil sales production of 4,209 bbl/d, exceeding the high end of guidance;
- Annual average heavy oil sales production of 3,302 bbl/d for 2023, representing growth of 98% relative to 2022
- Current heavy oil sales production, based on field estimates, of approximately 4,700 bbl/d;
- Strong preliminary performance, relative to Rubellite's type curve, from two new step out wells rig released on the Buffalo Lake Metis Settlement ("BLMS") lands and at the south end of Figure Lake adjacent to and on lands acquired as part of the asset acquisition that closed in November 2023;
- Resumption of winter-only production from the Dawson Northern Exploration program well drilled in Q1 2023; and
- Price protection in place on an average of 2,150 bbl/d for calendar 2024 at an average WCS price of approximately \$83.45 CAD/bbl.

An updated Corporate Overview presentation has been posted to the Company's website at www.rubelliteenergy.com.

PRODUCTION

Rubellite is pleased to report that the Company recorded preliminary Q4 2023 average heavy oil sales production of 4,209 bbl/d, exceeding the high end of the fourth quarter guidance range of 3,900 to 4,200 bbl/d. The Company recorded approximately 113 bbl/d of additional average heavy oil production which was not recorded as sales during the quarter, building inventory to fill new tank volumes for oil processing and water separation at pad sites. Annual average heavy oil sales production in 2023 averaged 3,302 bbl/d, a 98% year over year increase relative to 2022 (1,670 bbl/d heavy oil).

Field estimates of production through the first week of January averaged approximately 4,700 bbl/d, with one well recently rig-released at Figure Lake producing OBM load fluid and therefore not yet included in the sales production estimate.

OPERATIONS UPDATE

A total of 11 (11.0 net) wells were rig released in Rubellite's two-rig, fourth quarter development drilling program at Figure Lake and were a combination of seven (7.0 net) development wells and four (4.0 net) step-out wells. These wells began to contribute materially to the ramp up of oil sales production volumes throughout December as new multi-lateral wells were rig released and achieved full recovery of oil-based drilling mud ("OBM"). OBM is not recorded as sales production as the OBM is recovered and re-used in future drilling operations to the maximum extent possible or, when no longer re-usable it is sold, and in both cases credited back to drilling capital.

Development drilling operations were focused on three pads including: finishing the last two of eight wells on the prolific pad at 15-24-63-18W4 (the "15-24 Pad"); drilling four (4.0 net) horizontal multi-lateral wells at a new development pad at 9-3-63-18W4 (the "9-3 Pad"); and drilling one (1.0 net) horizontal multi-lateral development well, with a second (1.0 net) well rig released in early January, on a new development pad to the north at 14-22-63-18W4 (the "14-22 Pad"). Excluding one well on the 9-3 Pad, which has not been able to commence continuous production due to high initial gas volumes, preliminary performance from the fourth quarter development drilling program is performing, on average, commensurate with the Figure Lake type curve⁽¹⁾ thus far.

The Company is pleased with the step out drilling program executed by the second rig which was windowed in during the fourth quarter. Four (4.0 net) step out wells were drilled and rig released during the fourth quarter, including two new drills from a pad on the Buffalo Lake Metis Settlement at 5-32-63-17W4 (the "5-32 Pad"); and one well on each of two pads south of Figure Lake at 6-19 and 5-24 Twp 62-18W4. Both new step-out wells drilled at the BLMS 5-32 Pad have recovered their OBM load fluid and progressed through their respective IP30 production periods, recording strong IP30 and IP29 rates of 325 and 169 bbl/d, as compared to the Figure Lake type curve⁽¹⁾ IP30 of 116 bbl/d. Rubellite's four well commitment on the BLMS lands is now fully satisfied. The step-out well drilled on the 6-19 Pad in the fourth quarter, which straddled legacy Rubellite lands as well as lands acquired in November 2023 as part of the Figure Lake/Edwanda acquisition, fully recovered its OBM during the last week of December and is performing very strong, recording an average IP12 production rate of 283 bbl/d, prior to temporary freeze offs related to the extreme winter cold conditions over the past week. The step-out well drilled on the 5-24 Pad has just recently

recovered its OBM load fluid and is producing sales oil at an initial rate below the Figure Lake type curve and with a high water cut. Based on early time production performance to date, two of these four Figure Lake step out wells are Rubellite's most prolific performers drilled to date since the Company's inception, and have served to extend the development trend at Figure Lake to both the North and South.

Operationally going forward, Rubellite intends to keep one drilling rig running continuously at Figure Lake until break up in late March, to drill six (6.0 net) wells during the first quarter of 2024. One development well has already been rig released on the 14-22 Pad since year-end. Given ungulate restrictions, drilling operations have now shifted to the south end of Figure Lake to drill two wells on the Company's recently acquired lands at a pad in Edwand at 3-17-61-17W4 (the "3-17 Pad"), applying an OBM drilling fluid system to this pool to compare to the water-based mud results from wells drilled by the previous operator. The rig will then return to the 6-19 Pad to drill two additional wells prior to break-up. The Company is planning to continue its one rig program through break-up to drill six additional wells on the BLMS 5-32 Pad.

In early January, Rubellite re-activated its horizontal multi-lateral Northern Exploration well at Dawson (5-16-81-16W5) which was rig released in late January 2023. The Company plans to monitor production performance through the winter operating season prior to investing in construction of an all-weather road to allow for year-round operations.

Rubellite also plans to continue exploration activities to pursue additional prospective land capture and de-risk acreage during the first quarter of 2024.

- (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.sedarplus.ca. "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, 2022 and a preparation date of March 9, 2023.

COMMODITY PRICE RISK MANAGEMENT UPDATE

As at January 16, 2024, Rubellite has entered into commodity price risk management contracts on an average of 2,150 bbl/d during 2024 to effectively provide Western Canadian Select ("WCS") price protection at approximately \$83.45 CAD/bbl as per the following commodity price and foreign exchange risk management contracts:

Oil price risk management contracts

| Commodity | Volumes Sold (bbl/d) | Term | Reference/Index | Contract Traded Bought/Sold | Average Price (\$/bbl) |
|-----------|----------------------|---------------------|------------------------------------|-----------------------------|------------------------|
| Crude Oil | 200 bbl/d | Jan 2024 - Dec 2024 | WTI (USD\$/bbl) | Swap - sold | \$78.75 |
| 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 | 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) |

Foreign exchange risk management

| Contract | Notional amount | Term | Price (CAD\$/US\$) |
|-----------------------------------|------------------------|----------------------|--------------------|
| Average rate forward (CAD\$/US\$) | \$1,775,000 US\$/month | Jan 1 - Dec 31, 2024 | 1.3659 |
| Average rate forward (CAD\$/US\$) | \$1,000,000 US\$/month | Jan 1 - Dec 31, 2025 | 1.3660 |

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 can be accessed at the Company's website at www.rubelliteenergy.com and on SEDAR+ at www.sedarplus.ca.

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

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ADVISORIES

ABBREVIATIONS

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

| | |
|-------|-----------------|
| bbl | barrels |
| bbl/d | barrels per day |

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 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.

UNAUDITED FINANCIAL INFORMATION

Certain anticipated operating and financial results for 2023 included in this news release such as production information are based on unaudited estimated results. These estimated results are subject to change upon completion of the audited financial statements for the year ended December 31, 2023, and changes could be material.

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 "Production" and "Operations Update" 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: expectations as to drilling activity 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 headings "Production", "Operations Update" 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 successful operation of the Company's 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 use of artificial intelligence; the ongoing and future impact of pandemics (including COVID-19); and the war in Ukraine and the Israel-Hamas war 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, 2022 and in other reports on file with Canadian securities regulatory authorities which may be accessed through the SEDAR+ website www.sedarplus.ca 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.