

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026

RUBELLITE ENERGY CORP.
Condensed Interim Consolidated Statements of Financial Position

As at		**September 30, 2026**		December 31, 2025
(*Cdn$ thousands, unaudited*)				
Assets				
Current assets				
Accounts receivable	**$**	**30,049**	$	22,493
Prepaid expenses and deposits		**2,471**		2,561
Marketable securities (note 5)		**59,731**		438
Product inventory		**5,019**		3,861
Risk management contracts (note 16)		**311**		5,828
		97,581		35,181
Property, plant and equipment (note 3)		**466,331**		495,447
Exploration and evaluation (note 4)		**33,470**		31,054
Right-of-use assets (note 6)		**4,160**		4,447
Deferred tax asset (note 14)		**28,553**		12,380
Total assets	**$**	**630,095**	$	578,509
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**68,227**	$	59,913
Risk management contracts (note 16)		**28,029**		327
Lease liabilities (note 7)		**410**		389
Share based compensation liability (note 10)		**9,399**		4,694
Decommissioning obligations (note 8a)		**1,340**		1,340
Other provision (note 8b)		**3,750**		3,750
		111,155		70,413
Bank debt (note 12)		**118,034**		92,583
Term loan (note 13)		**19,315**		19,173
Lease liabilities (note 7)		**4,188**		4,340
Risk management contracts (note 16)		**4,012**		—
Share based compensation liability (note 10)		**4,737**		2,210
Decommissioning obligations (note 8a)		**28,647**		34,302
Other provision (note 8b)		**8,378**		11,554
Total liabilities		**298,466**		234,575
Equity				
Share capital (note 9)		**211,453**		207,673
Contributed surplus		**2,863**		2,863
Retained earnings		**117,313**		133,398
Total equity		**331,629**		343,934
Total liabilities and equity	**$**	**630,095**	$	578,509

Commitments (note 3a)

See accompanying notes to the condensed interim consolidated financial statements.

RUBELLITE ENERGY CORP.
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
(Cdn$ thousands, except per share amounts, unaudited)				
Revenue				
Oil and natural gas (note 11)	**$ 81,683**	$ 58,290	**$ 233,989**	$ 185,439
Royalties	**(13,606)**	(8,003)	**(35,199)**	(25,083)
	68,077	50,287	**198,790**	160,356
Realized gain (loss) on risk management contracts (note 16)	**(10,676)**	3,966	**(29,862)**	8,601
Unrealized loss on risk management contracts (note 16)	**(43,684)**	(7,444)	**(37,231)**	(3,032)
Other income	**821**	75	**1,148**	580
	14,538	46,884	**132,845**	166,505
Expenses				
Production and operating	**10,436**	7,281	**28,047**	22,830
Transportation	**6,562**	5,201	**18,994**	18,139
General and administrative	**2,672**	3,615	**10,953**	12,044
Share based compensation (note 10)	**7,275**	2,257	**14,911**	4,607
Exploration and evaluation (note 4)	**—**	—	**665**	3,316
(Gain) loss on dispositions (note 3)	**460**	(5,500)	**460**	(5,500)
Depletion and depreciation (notes 3, 6)	**24,738**	23,614	**74,918**	69,950
Transaction costs	**398**	—	**398**	132
	(38,003)	10,416	**(16,501)**	40,987
Finance expense (note 15)	**(3,184)**	(3,008)	**(9,083)**	(8,669)
Change in fair value of marketable securities (note 5)	**(6,772)**	—	**(6,772)**	—
Income (loss) before income tax	**(47,959)**	7,408	**(32,356)**	32,318
Taxes				
Deferred tax recovery (expense) (note 14)	**20,826**	(1,762)	**16,271**	(9,461)
Net income (loss) and comprehensive income (loss)	**$ (27,133)**	$ 5,646	**$ (16,085)**	$ 22,857
Net income (loss) per share (note 9c)				
Basic	**$ (0.29)**	$ 0.06	**$ (0.17)**	$ 0.25
Diluted	**$ (0.29)**	$ 0.06	**$ (0.17)**	$ 0.24

See accompanying notes to the condensed interim consolidated financial statements.

RUBELLITE ENERGY CORP.
Condensed Interim Consolidated Statements of Changes in Equity

	Share Capital		Contributed	Retained	Total
	(thousands)	*($thousands)*	surplus	earnings	Equity
(Cdn$ thousands, except share amounts, unaudited)					
Balance at December 31, 2025	93,593	$ 207,673	$ 2,863	$ 133,398	$ 343,934
Net loss	—	—	—	(16,085)	(16,085)
Share issue costs (note 9b)	—	(98)	—	—	(98)
Change in shares held in trust (note 9b)	(8)	12	—	—	12
Common shares issued pursuant to share based plans (note 9b)	967	3,866	—	—	3,866
Balance at September 30, 2026	**94,552**	**$ 211,453**	**$ 2,863**	**$ 117,313**	**$ 331,629**

	Share Capital		Contributed	Retained	Total
	(thousands)	*($thousands)*	surplus	earnings	Equity
(Cdn$ thousands, except share amounts, unaudited)					
Balance at December 31, 2024	92,877	$ 206,313	$ 2,863	$ 100,841	$ 310,017
Net income	—	—	—	22,857	22,857
Common shares issued, net of issue costs (note 9)	—	(129)	—	—	(129)
Common shares issued pursuant to share based plans (note 9b)	793	1,282	—	—	1,282
Balance at September 30, 2025	93,670	$ 207,466	$ 2,863	$ 123,698	$ 334,027

See accompanying notes to the condensed interim consolidated financial statements.

RUBELLITE ENERGY CORP.
Condensed Interim Consolidated Statements of Cash Flows

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
(*Cdn$ thousands, unaudited*)				
Cash flows from operating activities				
Net income (loss)	**$ (27,133)**	$ 5,646	**$ (16,085)**	$ 22,857
Adjustments to add (deduct):				
Depletion and depreciation (notes 3, 6)	**24,738**	23,614	**74,918**	69,950
Share based compensation (note 10)	**7,275**	2,257	**14,911**	4,607
Change in fair value of marketable securities (note 5)	**6,772**	—	**6,772**	—
Deferred tax expense (recovery) (note 14)	**(20,826)**	1,762	**(16,271)**	9,461
Unrealized loss on risk management contracts (note 16)	**43,684**	7,444	**37,231**	3,032
Non-cash finance expense (note 15)	**475**	440	**1,462**	1,303
Accrued interest on other provision (note 8b)	**140**	—	**284**	—
(Gain) loss on dispositions (note 3c)	**460**	(5,500)	**460**	(5,500)
Non-cash exploration and evaluation expense (note 4)	**—**	—	**659**	3,198
Payments for share based compensation (note 10)	**(498)**	(1,539)	**(1,298)**	(2,624)
Payment for other provision (note 8b)	**—**	—	**(3,750)**	(3,750)
Decommissioning obligations settled (note 8a)	**(200)**	(394)	**(748)**	(1,286)
Change in non-cash working capital	**(4,173)**	1,223	**(482)**	(3,352)
Net cash flows from operating activities	**30,714**	34,953	**98,063**	97,896
Cash flows from (used in) financing activities				
Common shares issued, net of fees[1]	**(1,622)**	—	**(2,391)**	—
Payment for lease liabilities (note 7)	**(100)**	(89)	**(301)**	(286)
Change in shares held in trust (note 9)	**21**	—	**12**	—
Change in bank debt (note 12)	**22,374**	(15,573)	**25,451**	(17,861)
Net cash flows from (used in) financing activities	**20,673**	(15,662)	**22,771**	(18,147)
Cash flows used in investing activities				
Development and production expenditures (note 3)	**(40,961)**	(34,854)	**(110,315)**	(84,407)
Corporate expenditures (note 3)	**(119)**	(199)	**(405)**	(396)
Exploration and evaluation expenditures (note 4)	**(2,296)**	(312)	**(9,203)**	(6,662)
Payment for asset swap (note 3)	**—**	—	**(800)**	—
Proceeds from dispositions (note 3c)	**—**	5,500	**—**	5,500
Change in non-cash working capital	**(8,011)**	10,574	**(111)**	3,661
Net cash flows used in investing activities	**(51,387)**	(19,291)	**(120,834)**	(82,304)
Change in cash	**—**	—	**—**	(2,555)
Cash, beginning of period	**—**	—	**—**	2,555
Cash, end of period	**$ —**	$ —	**$ —**	$ —
Supplemental cash flow information[2]				
Interest paid	**2,254**	2,427	**7,008**	7,635
Dividends received	**729**	—	**729**	—

(1) Includes $1.7 million and $2.4 million of withholding taxes remitted on behalf of employees on the net settlement of share-based compensation awards for the three and nine months ended September 30, 2026, respectively, partially offset by proceeds from the exercise of share options (three and nine months ended September 30, 2025 – nil).
(2) Interest paid and dividends received on marketable securities are included in cash flows from operating activities.

See accompanying notes to the condensed interim consolidated financial statements.

1. REPORTING ENTITY

Rubellite Energy Corp. ("Rubellite" or the "Company") is an oil and natural gas exploration and production company headquartered in Calgary, Alberta.

The address of the Company's registered office is 3200, 605 – 5 Avenue S.W., Calgary, Alberta, T2P 3H5.

The condensed interim consolidated financial statements presented for the three and nine months ended September 30, 2026 and 2025 represent the results of Rubellite Energy Corp. and its wholly owned subsidiaries Rubellite Energy Inc., Ukalta GP Inc., Ukalta Limited Partnership, Perpetual Operating Corp. and Perpetual Energy Partnership.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information required for full annual financial statements. These condensed interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements as at and for the year ended December 31, 2025 which were prepared in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The accounting policies, basis of measurement, critical accounting judgements and significant estimates used to prepare the annual consolidated financial statements as at and for the year ended December 31, 2025 have been applied, except as described below, in the preparation of these condensed interim consolidated financial statements.

These financial statements were approved and authorized for issue by the Board of Directors on November 6, 2026.

MARKETABLE SECURITIES

Marketable securities consist of investments in the common shares of publicly traded entities and are classified as financial assets held for trading and are measured at fair value through profit or loss ("FVTPL"), consistent with the Company's accounting policy for financial instruments. The Company has not elected to present changes in the fair value of these investments in other comprehensive income (loss). Marketable securities are recognized initially at fair value and are subsequently measured at fair value at each reporting date based on quoted market prices, with changes in fair value recognized in net income (loss). Dividends are recognized in net income (loss) when the right to receive payment is established.

NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*

The Company adopted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures on January 1, 2026. The amendments clarify the date of recognition and derecognition of financial assets and liabilities. The adoption did not have a material impact on the Company's financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18"), which will replace IAS 1 and includes requirements for all entities applying IFRS Accounting Standards for the presentation and disclosure of information in the financial statements. IFRS 18 will introduce new totals, subtotals and categories for income and expenses in the statement of income (loss) and comprehensive income (loss), as well as requiring disclosure about management defined performance measures and additional requirements regarding the aggregation and disaggregation of certain information. It will be effective on January 1, 2027, with earlier adoption permitted, and it must be adopted on a retrospective basis.

IFRS 18 does not alter the recognition or measurement of items included in the statement of income (loss) and comprehensive income (loss); it changes how those items are presented. Impacts of IFRS 18 on the Company are expected to include:

- the statement of income (loss) and comprehensive income (loss) will present income and expenses within defined categories, including operating, investing and financing. Finance expense will be presented within the financing category, and dividend income and changes in the fair value of marketable securities, will be presented within the investing category;
- increased disclosure in the financial statements in respect of management defined performance measures, such as operating netback; and
- consequential amendments to the statement of cash flows, whereby the starting point for cash flows from operating activities will be a new subtotal referred to as operating profit (loss), and the policy option in respect of reporting interest paid within operating activities has been removed, with interest paid required to be reported within financing activities and dividends received, currently reported within operating activities, required to be reported within investing activities.

The Company is completing its evaluation of the impact of adopting IFRS 18 on the consolidated financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

a) Property, Plant and Equipment

	Development and Production Assets	Corporate Assets	Total
Cost			
December 31, 2024	$ 549,982	$ 5,834	$ 555,816
Additions	122,600	529	123,129
Change in decommissioning obligations related to PP&E (note 8a)	4,572	—	4,572
December 31, 2025	$ 677,154	$ 6,363	$ 683,517
Additions	**110,315**	**405**	**110,720**
Acquisitions[1]	**7,073**	**—**	**7,073**
Dispositions (note 3c)	**(91,405)**	**—**	**(91,405)**
Change in decommissioning obligations related to PP&E (note 8a)	**1,573**	**—**	**1,573**
September 30, 2026	**$ 704,710**	**$ 6,768**	**$ 711,478**
Accumulated depletion and depreciation			
December 31, 2024	$ (93,270)	$ (550)	$ (93,820)
Depletion and depreciation	(92,812)	(1,438)	(94,250)
December 31, 2025	$ (186,082)	$ (1,988)	$ (188,070)
Depletion and depreciation[2]	**(73,249)**	**(1,194)**	**(74,443)**
Dispositions (note 3c)	**17,366**	**—**	**17,366**
September 30, 2026	**$ (241,965)**	**$ (3,182)**	**$ (245,147)**
Carrying amount			
December 31, 2025	$ 491,072	$ 4,375	$ 495,447
September 30, 2026	**$ 462,745**	**$ 3,586**	**$ 466,331**

(1) On June 30, 2026, the Company completed an asset swap of certain undeveloped lands (note 4) along with $0.8 million in cash for producing properties, resulting in neither a gain nor a loss on the swap.
(2) During the period ended September 30, 2026, depletion excludes a nominal amount that has been capitalized to inventory (December 31, 2025 - $0.7 million).

As at September 30, 2026, future development costs of $312.0 million (December 31, 2025 – $457.6 million) associated with proved and probable oil and gas reserves were included in the depletion calculation and an estimated $10.5 million (December 31, 2025 – $12.4 million) of salvage value for production equipment was excluded. Depletion expense was $73.2 million (December 31, 2025 - $92.8 million) on development and production assets for the period ended September 30, 2026.

The Company has a drilling commitment on certain gross overriding royalty ("GORR") lands that must be fulfilled by December 31, 2026 (the "Commitment Date"). In the event the Company fails to fulfill the drilling commitment, the Company is required to pay $0.1 million per well not spud by the Commitment Date. As at September 30, 2026, the Company had spud 55 (55.0 net) of the 59 (59.0 net) wells that are required to meet the drilling commitment. Subsequent to September 30, 2026, the Company spud an additional 2 (2.0 net) wells bringing the total to 57 (57.0 net) of the 59 (59.0 net) wells required to meet the drilling commitment.

b) Impairment

Eastern Heavy Oil CGU

The Company assessed its Eastern Heavy Oil CGU for indicators of impairment as at September 30, 2026 and December 31, 2025, and concluded there were no indicators of impairment; therefore an impairment test was not required.

c) Dispositions

On September 8, 2026, the Company completed the sale of its 50% non-operated working interest in the East Edson property in West Central Alberta, comprising all of the assets of the West Central CGU. Consideration consisted of 2,083,411 common shares of Topaz Energy Corp. ("Topaz"), with a deemed value of $67.0 million based on the $32.1588 per share ten-day volume weighted average trading price of Topaz ending three days prior to close. The consideration received was valued at $66.1 million based on the September 4, 2026 closing share price of $31.71. The calculation of the loss recorded on disposition is summarized below:

Assets disposed		
Oil and natural gas interests (note 3a)	$	74,039
Decommissioning provisions (note 8a)		(7,654)
Net assets disposed	**$**	**66,385**

Consideration		
Shares of Topaz (note 5)[1]	$	65,925
Total consideration received	**$**	**65,925**

Loss on disposition[2]	**(460)**

(1) Comprised of 2,083,411 Topaz shares valued at $66.1 million, less $0.1 million of working capital adjustments related to September activity which is retained by the purchaser.
(2) The loss on disposition is presented before income taxes. The disposition reversed the deferred tax liability associated with the West Central CGU, resulting in a deferred income tax recovery of $13.0 million, which is recognized in deferred income tax expense (recovery) (note 14). Including the recovery, the disposition decreased the net loss by $12.6 million for the three and nine months ended September 30, 2026.

4. EXPLORATION AND EVALUATION

	September 30, 2026	December 31, 2025
Balance, beginning of period	**$ 31,054**	$ 29,106
Dispositions[1] (note 3a)	**(6,128)**	—
Additions	**9,203**	7,373
Exploration and evaluation expense	**(659)**	(5,425)
Balance, end of period	**$ 33,470**	$ 31,054

(1) On June 30, 2026, the Company completed an asset swap of certain undeveloped lands (note 3a) along with $0.8 million in cash for producing properties, resulting in neither a gain nor a loss on the swap.

Exploration and evaluation ("E&E") expense was $0.7 million (September 30, 2025 - $3.3 million) for the nine months ended September 30, 2026, related to expiring land costs that were previously recorded as E&E.

Impairment of E&E assets

E&E assets are tested for impairment when internal or external indicators of impairment exist or upon transfer to oil and gas interests in PP&E. At September 30, 2026, management's assessment determined there were no indicators of impairment.

5. MARKETABLE SECURITIES

	September 30, 2026	December 31, 2025
Balance, beginning of period	**$ 438**	$ 350
Acquisition[1]	**66,065**	—
Change in fair value	**(6,772)**	88
Balance, end of period[2]	**$ 59,731**	$ 438

(1) Effective September 8, 2026, the Company disposed of its conventional natural gas assets comprising all of the assets of the West Central CGU (note 3c) in exchange for share consideration consisting of 2,083,411 shares of Topaz.
(2) In 2025, marketable securities were disclosed within prepaid expenses and deposits and have been reclassified to conform with current period presentation.

6. RIGHT-OF-USE ASSETS

The Company leases certain assets including office space, vehicles, and other assets. Information about lease for which the Company is a lessee is presented below:

	Head office	Vehicles	Other leases	Total
Cost				
December 31, 2024	$ 4,782	$ 190	$ 64	$ 5,036
Additions	—	140	—	140
December 31, 2025	$ 4,782	$ 330	$ 64	$ 5,176
Additions	—	170	—	170
September 30, 2026	**$ 4,782**	**$ 500**	**$ 64**	**$ 5,346**
Accumulated depreciation				
December 31, 2024	$ (77)	$ (23)	$ (6)	$ (106)
Depreciation	(459)	(127)	(37)	(623)
December 31, 2025	$ (536)	$ (150)	$ (43)	$ (729)
Depreciation	(344)	(92)	(21)	(457)
September 30, 2026	**$ (880)**	**$ (242)**	**$ (64)**	**$ (1,186)**
Carrying amount				
December 31, 2025	$ 4,246	$ 180	$ 21	$ 4,447
September 30, 2026	**$ 3,902**	**$ 258**	**$ —**	**$ 4,160**

7. LEASE LIABILITIES

	September 30, 2026	December 31, 2025
Balance, beginning of period	**$ 4,729**	$ 4,965
Additions	**170**	140
Interest on lease liabilities (note 15)	**226**	316
Payments	**(527)**	(692)
Total lease liabilities	**$ 4,598**	$ 4,729
Current	**$ 410**	$ 389
Non-current	**4,188**	4,340
Total lease liabilities	**$ 4,598**	$ 4,729

Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Incremental borrowing rates used to measure the present value of the future lease payments at September 30, 2026 were between 4.3% and 6.6% (December 31, 2025 - between 4.3% and 6.6%).

8. PROVISIONS

a) Decommissioning obligations

	September 30, 2026	December 31, 2025
Balance, beginning of period	**$ 35,642**	$ 31,817
Liabilities settled	**(748)**	(1,851)
Obligations incurred	**2,319**	2,813
Obligations acquired[1] (note 3a)	**145**	—
Dispositions (note 3c)	**(7,654)**	—
Revisions to estimates[2]	**(746)**	1,759
Accretion (note 15)	**1,029**	1,104
Total decommissioning obligations, end of period	**$ 29,987**	$ 35,642
Decommissioning obligations - current	**$ 1,340**	$ 1,340
Decommissioning obligations - non-current	**28,647**	34,302
Total decommissioning obligations	**$ 29,987**	$ 35,642

(1) On June 30, 2026, the Company completed an asset swap of certain undeveloped lands for producing properties with $0.1 million of net obligations acquired (note 3a).
(2) Relates to changes in the risk-free rate and inflation rate for the period ended September 30, 2026. Relates to changes in the risk-free rate, inflation rate, cost estimates and time to abandonment for the year ended December 31, 2025.

Decommissioning obligations are estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities, and the estimated timing of the costs to be incurred in future periods.

The increase in the provision due to the passage of time, which is referred to as accretion, is recognized as non-cash finance expense in the condensed interim consolidated statements of income (loss) and comprehensive income (loss). Decommissioning obligations are further adjusted at each period end date for changes in the risk-free interest rate, after considering additions and dispositions of PP&E. Decommissioning obligations are also adjusted for revisions to future cost estimates and the estimated timing of costs to be incurred in future periods.

The following significant assumptions were used to estimate the Company's decommissioning obligations:

	September 30, 2026	December 31, 2025
Undiscounted obligations	**$ 41,737**	$ 49,432
Average risk-free rate	**4.3%**	3.9%
Inflation rate	**2.3%**	2.0%
Expected timing of settling obligations	**1 to 25 years**	1 to 25 years

b) Other provision

	September 30, 2026	December 31, 2025
Balance, beginning of period	**$ 15,304**	$ 18,574
Interest (note 15)	**284**	—
Payments	**(3,750)**	(3,750)
Accretion (note 15)	**290**	480
Total other provision, end of period	**$ 12,128**	$ 15,304
Other provision - current	**$ 3,750**	$ 3,750
Other provision - non-current	**8,378**	11,554
Total other provision[(1)(2)]	**$ 12,128**	$ 15,304

(1) The other provision was assumed through a business combination with Perpetual Energy Inc. ("Perpetual") in the fourth quarter of 2024 (the "Recombination Transaction").
(2) The other provision is a second-lien obligation of the Company.

The Company is required to make annual payments of $3.75 million, inclusive of accrued interest, until the principal of the other provision is fully repaid. Annual scheduled payments were made on March 28, 2026 and March 28, 2025. Effective March 28, 2026, interest accrues on the outstanding principal and is payable annually at an interest rate equal to the applicable Bank of Canada prime rate on the date of payment. The Company is able to prepay all, or any portion, of the outstanding principal at any time without bonus or penalty.

The following assumptions were used to estimate the Company's other provision:

	September 30, 2026	December 31, 2025
Undiscounted obligation - principal	**$ 12,441**	$ 16,191
Average risk-free rate	**3.0%**	3.0%
Expected timing of settling obligation	**3.5 years**	4.3 years

9. SHARE CAPITAL

a) Authorized

Authorized capital consists of an unlimited number of common shares.

b) Issued and outstanding

	September 30, 2026		December 31, 2025	
	Shares *(thousands)*	**Amount *($thousands)***	Shares *(thousands)*	Amount *($thousands)*
Balance, beginning of period	**93,593**	**$ 207,673**	92,877	$ 206,313
Change in shares held in trust[(2)]	**(8)**	**12**	—	—
Issued pursuant to share based plans (note 10)	**967**	**3,866**	716	1,533
Share issue costs[(1)]	**—**	**(98)**	—	(173)
Balance, end of period[(2)]	**94,552**	**$ 211,453**	93,593	$ 207,673

(1) Share issue costs for the period ended September 30, 2026 are net of $0.1 million of deferred tax (December 31, 2025 - $0.2 million).
(2) The Company has compensation agreements in place with employees whereby they may be entitled to receive shares of the Company purchased on the open market by an independent trustee. Share capital is presented net of the shares held in trust. As at September 30, 2026, there were 0.1 million shares held in trust (December 31, 2025 - 0.1 million).

During the period ended September 30, 2026, the Company issued 1.0 million common shares (December 31, 2025 - 0.7 million common shares) pursuant to share based compensation plans.

c) Per share information

(*thousands, except per share amounts*)	Three months ended September 30, **2026**	2025	Nine months ended September 30, **2026**	2025
Net income (loss)	**$ (27,133)**	$ 5,646	**$ (16,085)**	$ 22,857
Issued Common Shares				
Issued common shares	**94,661**	93,670	**94,661**	93,670
Effect of shares held in trust[(1)]	**(109)**	(82)	**(109)**	(82)
Issued common shares, net of shares held in trust[(1)]	**94,552**	93,588	**94,552**	93,588
Weighted average common shares outstanding – basic	**94,005**	93,700	**93,820**	93,211
Weighted average common shares outstanding – diluted	**94,005**	96,311	**93,820**	95,838
Net income (loss) per share – basic	**$ (0.29)**	$ 0.06	**$ (0.17)**	$ 0.25
Net income (loss) per share – diluted	**$ (0.29)**	$ 0.06	**$ (0.17)**	$ 0.24

(1) Share capital is presented net of the shares held in trust by the independent trustee. As at September 30, 2026 there were 0.1 million shares held in trust (December 31, 2025 - 0.1 million).

Per share amounts have been calculated using the weighted average number of common shares outstanding. As the Company reported a net loss for the three and nine months ended September 30, 2026, all 9.9 million common shares issuable upon the exercise or settlement of share based compensation instruments, including share units which the Company can elect to settle in cash, were excluded from the calculation of dilutive net loss per share as the effect was anti-dilutive (three and nine months ended September 30, 2025 - 8.2 million common shares).

10. SHARE BASED COMPENSATION

The Company applies the cash-settled method under IFRS 2 to all compensation awards and uses an intrinsic pricing model, or Black-Scholes pricing model, to estimate the fair value at each reporting period. The share based compensation liability reflects an estimated forfeiture rate of 5% for outstanding awards and was revalued at September 30, 2026 using Rubellite's closing share price of $4.02 per share (December 31, 2025 - $2.40 per share). For more details on the fair value assumption for each compensation award, refer to notes (a) through (f) below.

The following table summarizes the changes in the share based compensation liability, which can be settled through the issuance of cash or shares:

	September 30, 2026	December 31, 2025
Balance, beginning of period	**$ 6,904**	$ 6,271
Share based payment expense	**14,911**	5,368
Cash settlement	**(1,298)**	(3,202)
Equity settlement	**(6,381)**	(1,533)
Balance, end of period	**$ 14,136**	$ 6,904
Share based compensation liability - current	**$ 9,399**	$ 4,694
Share based compensation liability - non-current	**4,737**	2,210
Total share based compensation liabilities	**$ 14,136**	$ 6,904

The following table summarizes information about options, rights and awards outstanding under the Rubellite Incentive Plan, the cash or trust settled unit award plan (the "CTU Plan"), and under plans acquired through a business combination (the "Acquired Plans") with Perpetual Energy Inc. ("Perpetual") in the fourth quarter of 2024 (the "Recombination Transaction"):

Compensation Awards - Rubellite Incentive Plan and CTU Plan

(number of awards, thousands)	**Share options**	**Performance share units[(1)]**	**Restricted share units**	**Cash or trust settled units**	**Total**
December 31, 2025	3,301	1,944	3,315	—	8,560
Granted	302	833	451	525	2,111
Exercised for common shares	(985)	(249)	(709)	—	(1,943)
Exercised for cash	—	—	(8)	—	(8)
Performance adjustment[(1)]	—	(74)	—	—	(74)
Forfeited	(9)	—	(89)	—	(98)
September 30, 2026[(2)]	**2,609**	**2,454**	**2,960**	**525**	**8,548**

(1) During Q1 2026, Performance Share Units were exercised using a performance multiplier of 0.77.
(2) Of the 8.5 million share based awards outstanding under the Rubellite Incentive Plan and CTU Plan, 5.9 million awards may be settled for cash or shares purchased in the open market, including shares held in trust (note 9c), as opposed to treasury issuance.

Compensation Awards - Acquired Plans

(number of awards, thousands)	Deferred options	Deferred shares	Share options	Performance share rights[1]	Total
December 31, 2025	931	259	789	311	2,290
Exercised for common shares	(10)	—	(245)	—	(255)
Exercised for shares held in trust	(92)	—	—	—	(92)
Exercised for cash	(263)	(30)	—	(174)	(467)
Performance adjustment[1]	—	—	—	(137)	(137)
Forfeited	(11)	—	—	—	(11)
September 30, 2026[2]	**555**	**229**	**544**	**—**	**1,328**

(1) During Q1 2026, Performance Share Rights under the Acquired Plans were exercised using a performance multiplier of 0.56.
(2) Of the 1.3 million share based awards outstanding under the Acquired Plans, 0.8 million awards may be settled for cash or from shares in the employee trust as opposed to treasury issuance. Shares held in the trust as at September 30, 2026 were 0.1 million (December 31, 2025 - 0.1 million) (note 9c).

a) Share options

The Rubellite Incentive Plan allows for the issuance of share options to directors, executive officers, employees or consultants. Options are granted at an exercise price equal to the weighted average trading price of the Company's common shares over the five trading days preceding the grant date. Share options granted generally vest evenly over four years, commencing on the first anniversary, with expiry occurring five years after issuance. Options granted under the Acquired Plans were awarded on the same terms.

b) Restricted share units ("RSUs")

The Rubellite Incentive Plan allows for the issuance of RSUs to directors, officers, employees or consultants. RSUs granted prior to November 1, 2024 vest proportionately over two years, while RSUs granted on or after November 1, 2024 vest proportionately over three years. Vested RSUs may be settled in cash or common shares, at the Company's discretion.

c) Performance share units ("PSUs")

The Rubellite Incentive Plan provides for the granting of PSUs to executive officers. PSUs granted prior to January 1, 2025 vest two years after the grant date, while PSUs granted on or after January 1, 2025 vest three years after the grant date. Upon vesting, PSUs become redeemable for equivalent common shares based on a performance multiplier dependent upon the achievement of certain performance metrics over the vesting period. Vested PSUs can be settled in cash or in common shares of the Company at the discretion of the Board of Directors. PSUs are forfeited if a participant leaves the Company prior to vesting, other than through retirement or termination without cause.

The fair value of a PSU award is determined by using the closing price of common shares multiplied by the estimated performance multiplier. Fluctuations in share based payments may occur due to changes in estimates of performance outcomes which may change the multiplier from one period to the next. As at September 30, 2026, a performance factor of 1.0 has been assumed for unvested PSUs.

d) Cash or trust settled units ("CTUs")

During the third quarter of 2026, the Company adopted the CTU Plan, which is supplemental to the Rubellite Incentive Plan and allows for the issuance of CTUs to directors, officers, employees or consultants. CTUs vest proportionately over three years. Vested CTUs may be settled, at the Company's discretion, in cash or in common shares purchased in the open market by an independent trustee (note 9c).

e) Deferred options

The Company has deferred option agreements from the Acquired Plans with certain employees, whereby they may be entitled to receive cash, or Company shares purchased on the open market by an independent trustee and held in trust, provided they remain employed and exercise their deferred options. The deferred options vest over four years, with one quarter vesting annually, and expire five years after issuance. Shares purchased by the independent trustee are reported as shares held in trust (note 9c).

f) Deferred shares

The Company has deferred share agreements from the Acquired Plans with directors and certain employees. Deferred shares granted to directors vest upon retirement from the Board, while deferred shares granted to employees vest over a two-year period, provided they remain employed by the Company during the vesting period. Upon vesting, directors and employees may be entitled, at the discretion of the Board of Directors, to receive cash, a grant of restricted share units (note 10b), or shares of the Company purchased on the open market by an independent trustee and held in trust. Shares purchased by the independent trustee are reported as shares held in trust (note 9c).

11. OIL AND GAS REVENUE

The Company's properties currently produce heavy crude oil, natural gas and NGL volumes which are mostly sold under floating contracts of varying price and volume terms of up to one year with established creditworthy counterparties. Revenues are typically collected on the 25th day of the month following production and delivery to sales points. Included in accounts receivable at September 30, 2026 is $27.6 million of revenue related to September 2026 sales production (December 31, 2025 - $17.8 million of revenue related to December 2025 sales production).

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Oil	**$ 76,710**	$ 55,536	**$ 213,157**	$ 170,599
Natural gas	**2,967**	1,268	**12,987**	9,156
NGL	**2,006**	1,486	**7,845**	5,684
Oil and natural gas revenue	**$ 81,683**	$ 58,290	**$ 233,989**	$ 185,439

12. BANK DEBT

During the second quarter of 2026, the Company's first lien credit facility had its borrowing limit increased to $160.0 million (December 31, 2025 - $140.0 million) and was extended with an initial term to May 31, 2027. Following the disposition of the East Edson assets on September 8, 2026 (note 3c), the credit facility borrowing limit was reconfirmed at $160.0 million. The initial term may be extended for a further twelve months to May 31, 2028 subject to lender approval. If not extended by May 31, 2027, all outstanding advances would be repayable on May 31, 2028. The next semi-annual borrowing base redetermination is scheduled on or before May 31, 2027.

As at September 30, 2026, $118.0 million was drawn against the credit facility (December 31, 2025 - $92.6 million) and $1.4 million (December 31, 2025 - $1.4 million) of letters of credit were issued. Borrowings under the credit facility bear interest at the lenders' prime rate or CORRA rates, plus applicable margins and standby fees. The applicable CORRA margins range between 2.8% and 6.3%. The effective aggregate interest rate on the credit facility at September 30, 2026 was 5.8% per annum. For the period ended September 30, 2026, if interest rates changed by 1% with all other variables held constant, the impact on cash finance expense would be $1.2 million and the impact on net income (loss) and comprehensive income (loss) would be $0.9 million.

The credit facility is secured by general first lien security agreements covering all present and future property and assets of the Company.

At September 30, 2026, the credit facility was not subject to any financial covenants and the Company was in compliance with all customary non-financial covenants.

13. TERM LOAN

			September 30, 2026		December 31, 2025	
	Maturity date	**Interest rate**	**Principal**	**Carrying Amount**	Principal	Carrying amount
Term loan	August 2, 2029	11.5%	**$ 20,000**	**$ 19,315**	$ 20,000	$ 19,173

Rubellite has a $20.0 million senior secured third-lien term loan placed, directly or indirectly, with certain directors, officers and employees, and their affiliates, of Rubellite. The term loan bears interest at 11.5% annually with interest payments to be paid quarterly, matures in five years from the date of issue, and can be repaid by the Company without penalty at any time.

During the period ended September 30, 2026, Rubellite paid $1.7 million in cash interest payments to the holders of the term loan (September 30, 2025 - $1.7 million).

At September 30, 2026, the term loan was recorded at the present value of future cash flows, net of $0.7 million (December 31, 2025 - $0.8 million) in issue and discount costs which are amortized over the remaining term using a weighted average effective interest rate of 13.0%.

The term loan is not subject to any financial covenants and the Company was in compliance with all customary non-financial covenants.

At September 30, 2026 and December 31, 2025, entities controlled or directed by the Company's Chief Executive Officer ("CEO") hold $18.4 million of the outstanding term loan.

14. DEFERRED TAXES

The following table summarizes the continuity of the net deferred tax asset of the Company:

	December 31, 2025	Recognized in earnings	Recognized in equity	**September 30, 2026**
Deferred tax assets (liabilities):				
Property, plant and equipment	$ (38,100)	$ 8,009	$ —	**$ (30,091)**
Decommissioning obligations	8,198	(1,301)	—	**6,897**
Fair value of derivatives	(1,265)	8,563	—	**7,298**
Other liabilities	2,820	(778)	—	**2,042**
Share and debt issue costs	414	(35)	(98)	**281**
Non-capital losses	40,313	1,813	—	**42,126**
Deferred tax asset	$ 12,380	$ 16,271	$ (98)	**$ 28,553**

15. FINANCE EXPENSE

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Interest on bank debt (note 12)	**$ 1,914**	$ 1,909	**$ 5,391**	$ 5,406
Interest on term loan (note 13)	**580**	580	**1,720**	1,721
Interest on other provision (note 8b)[(1)]	**140**	—	**284**	—
Interest on lease liabilities (note 7)	**75**	79	**226**	239
Total cash finance expense	**2,709**	2,568	**7,621**	7,366
Amortization of debt issue costs (note 13)	**50**	44	**143**	126
Accretion on decommissioning obligations (note 8a)	**336**	282	**1,029**	811
Accretion on other provision (note 8b)	**89**	114	**290**	366
Total non-cash finance expense	**475**	440	**1,462**	1,303
Finance expense	**$ 3,184**	$ 3,008	**$ 9,083**	$ 8,669

(1) Interest on the other provision accrues from March 28, 2026 and is payable annually (note 8b). Interest accrued but not yet paid is added to the other provision and is therefore added back in determining cash flows from operating activities until paid.

16. FINANCIAL RISK MANAGEMENT

The following table summarizes the mark to market value of outstanding risk management contracts:

		September 30, 2026		December 31, 2025
Financial oil contracts	**$**	**(28,835)**	$	3,208
Financial natural gas contracts		**311**		306
Financial foreign exchange contracts		**(3,206)**		1,987
Risk management contracts	**$**	**(31,730)**	$	5,501
Risk management contracts – current asset	**$**	**311**	$	5,828
Risk management contracts – current liability		**(28,029)**		(327)
Risk management contracts – non-current liability		**(4,012)**		—
Risk management contracts[(1)]	**$**	**(31,730)**	$	5,501

(1) Risk management contract assets and liabilities presented in the consolidated statement of financial position are shown net of offsetting assets or liabilities where the arrangement provides for the legal right of offset and the intention to settle net.

The following table details the gains (losses) on risk management contracts:

	Three months ended September 30,				Nine months ended September 30,			
		2026		2025		**2026**		2025
Unrealized loss on oil contracts	**$**	**(43,487)**	$	(1,848)	**$**	**(32,043)**	$	(740)
Unrealized gain (loss) on natural gas contracts		**(263)**		(1,998)		**5**		(5,218)
Unrealized gain (loss) on foreign exchange contracts		**66**		(3,598)		**(5,193)**		2,926
Unrealized loss on risk management contracts		**(43,684)**		(7,444)	**$**	**(37,231)**	$	(3,032)
Realized gain (loss) on oil contracts		**(11,333)**		1,864		**(32,062)**		3,861
Realized gain on natural gas contracts		**714**		2,149		**1,638**		5,867
Realized gain (loss) on foreign exchange contracts		**(57)**		(47)		**562**		(1,127)
Realized gain (loss) on risk management contracts		**(10,676)**		3,966	**$**	**(29,862)**	$	8,601
Gain (loss) on risk management contracts	**$**	**(54,360)**	$	(3,478)	**$**	**(67,093)**	$	5,569

Oil risk management contracts

At September 30, 2026, the Company had in place the following oil commodity risk management contracts:

Commodity	**Volumes Sold (bbl/d)**	**Term**	**Reference/Index**	**Contract Traded Bought/Sold**	**Average Price ($/bbl)**	**Mark to market (CAD$000s)**
Crude Oil	5,400 bbl/d	Oct 2026 - Dec 2026	WTI (US$/bbl)	Swap - sold	$68.98	(13,263)
Crude Oil	4,350 bbl/d	Jan 2027 - Dec 2027	WTI (US$/bbl)	Swap - sold	$71.31	(16,698)
Crude Oil	1,700 bbl/d	Jan 2028 - Dec 2028	WTI (US$/bbl)	Swap - sold	$70.03	(1,440)
Crude Oil	3,000 bbl/d	Oct 2026 - Dec 2026	WCS Differential (US$/bbl)	Swap - sold	($13.18)	2,566

As at September 30, 2026, if future WTI and WCS oil prices changed by $5.00 per bbl with all other variables held constant, net income (loss) and comprehensive income (loss) for the period would change by $10.5 million due to changes in the fair value of risk management contracts.

Natural gas risk management contracts

At September 30, 2026, the Company had in place the following natural gas commodity risk management contracts:

Commodity	**Volumes Sold**	**Term**	**Reference/Index**	**Contract Traded Bought/Sold**	**Average Price (US$/GJ)**	**Mark to market (CAD$000s)**
Natural gas	7,913 GJ/d	Oct 2026	NYMEX (US$/GJ)	Swap - sold	$3.50	226
Natural gas	7,913 GJ/d	Oct 2026	NYMEX (US$/GJ)	Swap - bought	$2.60	85

As at September 30, 2026, if future gas prices changed by $0.25 per GJ with all other variables held constant, net income (loss) and comprehensive income (loss) for the period would change by nil due to changes in the fair value of risk management contracts.

Foreign exchange risk management contracts

At September 30, 2026, the Company had in place the following CAD/USD foreign exchange risk management contracts:

Fixed Contract	Notional amount	Term	Price (CAD$/US$)	Mark to market (CAD$000s)
Average rate forward (CAD$/US$)	$2,500,000 US$/month	Oct - Dec 2026	1.4066	(54)
Average rate forward (CAD$/US$)[(1)]	$5,000,000 US$/month	Oct - Dec 2026	1.3890	(1,771)
Average rate forward (CAD$/US$)	$500,000 US$/month	Oct - Dec 2026	1.4085	(17)
Average rate forward (CAD$/US$)	$500,000 US$/month	Oct - Dec 2026	1.4100	(15)
Average rate forward (CAD$/US$)	$3,000,000 US$/month	Jan - Dec 2027	1.3700	(1,224)
Average rate forward (CAD$/US$)	$2,000,000 US$/month	Jan -Dec 2028	1.3700	(324)

(1) At expiry on December 31, 2026, if the calendar 2027 forward strip is above 1.3890 CAD$/US$, Rubellite knocks into a $5.0 million US$/month contract at 1.3890 CAD$/US$ for the 2027 calendar year.

Variable Contract	Notional amount	Term	Floor Price (CAD$/US$)	Ceiling Price (CAD$/US$)	Reset Price (CAD$/US$)	Mark to market (CAD$000s)
Knock-in Collar (CAD$/US$)[(1)]	$3,000,000 US$/month	Jan - Dec 2027	1.4000	1.4400	1.4200	199

(1) During the third quarter of 2026, the spot price traded at or below the 1.3810 CAD$/US$ barrier. As a result, Rubellite will not knock into the $3.0 million US$/month contract at 1.4000 CAD$/US$ for the 2028 calendar year.

As at September 30, 2026, if future CAD$/US$ exchange rate changed by $0.05 with all other variables held constant, net income (loss) and comprehensive income (loss) for the period would change by $7.0 million due to changes in the fair value of risk management contracts.

Fair value of financial assets and liabilities

The Company's fair value measurements are classified into one of the following levels of the fair value hierarchy:

Level 1 – inputs represent unadjusted quoted prices in active markets for identical assets and liabilities. An active market is characterized by a high volume of transactions that provides pricing information on an ongoing basis.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These valuations are based on inputs that can be observed or corroborated in the marketplace, such as market interest rates or forecasted commodity prices.

Level 3 – inputs for the asset or liability are not based on observable market data.

The Company aims to maximize the use of observable inputs when preparing calculations of fair value. Classification of each measurement into the fair value hierarchy is based on the lowest level of input that is significant to the fair value calculation.

The fair value of accounts receivable, prepaid expenses and deposits and accounts payable and accrued liabilities, which make up working capital, approximate their carrying amounts due to their short terms to maturity. In accordance with IFRS 7, fair value disclosures are not required for these instruments.

Marketable securities are classified as fair value through profit or loss ("FVTPL") and are measured at fair value on a recurring basis, within level 1 of the fair value hierarchy as they are based on quoted prices in active markets.

The fair values of the bank debt and term loan approximate their carrying amounts due to time to maturity and current market rates for similar credit risk and terms. They are classified at amortized cost, level 2.

The fair value of risk management contracts is classified as FVTPL, and is measured at fair value on a recurring basis, within level 2 of the fair value hierarchy. Fair values are estimated using a discounted cash flow model based on the applicable forward price curves for crude oil, natural gas and foreign exchange rates as at the reporting date, which are corroborated by counterparty provided valuations and other observable market data. The Company has not changed its valuation technique during the period.

The fair value of financial assets and liabilities, excluding working capital, is attributable to the following fair value hierarchy levels:

				Fair value		
As of September 30, 2026	Gross	Netting[(1)]	Carrying Amount	Level 1	Level 2	Level 3
Financial assets						
Fair value through profit or loss						
Risk management contracts	$ 3,612	$ (3,301)	$ 311	$ —	$ 311	$ —
Marketable securities	59,731	—	59,731	$ 59,731	—	—
Financial liabilities						
Financial liabilities at amortized cost						
Bank debt	(118,034)	—	(118,034)	$ —	(118,034)	—
Term loan	(19,315)	—	(19,315)	$ —	(19,315)	—
Fair value through profit or loss						
Risk management contracts	(35,342)	3,301	(32,041)	—	(32,041)	—

(1) Risk management contract assets and liabilities presented in the consolidated statement of financial position are shown net of offsetting assets or liabilities where the arrangement provides for the legal right of offset and the intention to settle net.