

Management

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www.rubelliteenergy.com

EPG Commentary by Dan Steffens

Rubellite Energy Inc. (RBY.TO and RUBLF) is a Canadian Junior in our *Small-Cap Growth Portfolio*. Most of the Company's revenues are from the sale of heavy oil, which sold for \$77.37Cdn in Q1 2025. First quarter 2025 crude oil production of 8,339 bpd and total production of 12,383 Boepd beat my forecast by about 3%. Adjusted operating cash flow of \$31.2Cdn million (\$0.33/share) was slightly below my forecast, but still quite good. The current share price is less than 1.4 X my 2025 operating CFPS forecast of \$1.26Cdn.

The current production mix is approximately 67% heavy crude oil, 3% high value NGLs and 30% natural gas. The Company's hedging program has reduced their oil price risk. I am expecting rising natural gas prices in 2H 2025 to give Rubellite a nice revenue boost.

The Company's organic production growth after 2024 is forecast to be 10% to 15% per year. Due to the closing of two significant acquisitions in 2024, Rubellite's total production increased by 92% year-over-year in 2024 and, based on the Company's guidance, production should increase 90% to 95% YOY in 2025. It has a lot of **"Running Room"** with 316 net development drilling locations in Alberta, most of which should be multi-lateral completions.

Since being formed in July 2021, Rubellite Energy has seen rapid growth which is continuing today with the acquisition of Buffalo Mission in August 2024 and the recombination with Perpetual that closed on October 31, 2024.

Rubellite Energy produces heavy oil from the Clearwater and the Mannville formations in eastern Alberta. The Company's Q4 2024 & Q1 2025 results and 2025 guidance have confirmed my forecast model assumptions.



My Fair Value Estimate for RBY.TO is \$5.60Cdn/share

Translates to approximately \$3.92US per share for RUBLF

Disclosure: I have a LONG position in RBY. I do not intend on buying or selling any shares in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this article.

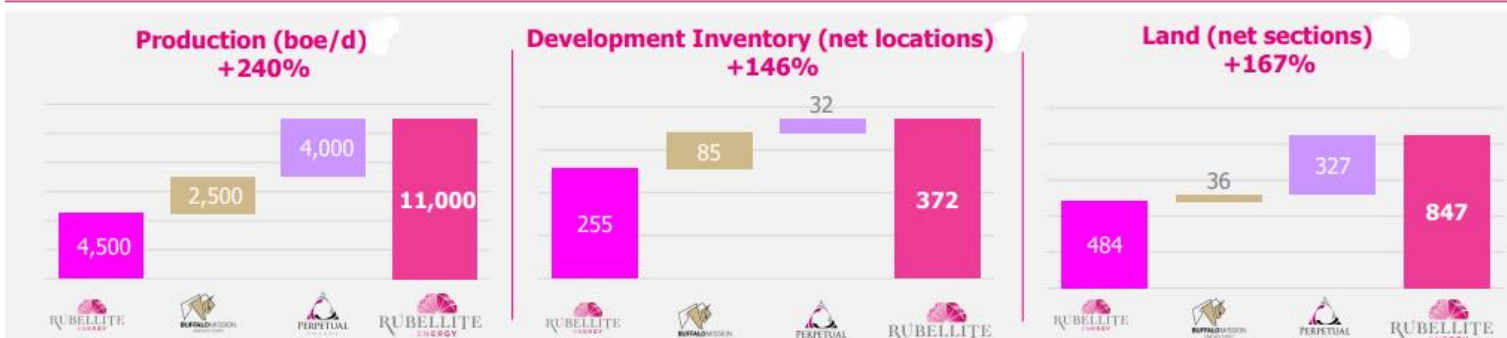
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2024 Strategic Transactions

Strategic transactions since Q2/24 drive scale, enhanced financial flexibility and optionality



Buffalo Mission and Perpetual Recombination Transactions



Investment Highlights

Junior E&P growth opportunity in the Clearwater and Mannville Stack multi-lat heavy oil plays



Expanding Pure Play Heavy Oil Multi-lat Asset Base

- 582 net sections of prospective Clearwater, Mannville Stack and Heavy Oil exploration lands
- Major producing properties at Figure Lake (Clearwater) and Frog Lake (Mannville Stack)
- Multiple exploration prospects captured with material success case location inventory identified
- Line of sight to additional exploratory land capture and M&A opportunities
- Several properties with near cold flow prospects to unlock with evolving solvent & low-grade heat technology

Robust Organic Heavy Oil Production Growth Profile

- Organic and M&A driven heavy oil production growth from initial 350 bbl/d in Sep 2021 to 8,479⁽¹⁾ bbl/d
- Highly profitable, full cycle IRRs with attractive payout periods under 1 year at historical prices since inception
- ~316 net defined Development/Step-out heavy oil drilling locations; ~200 net potential exploration locations
- Systematic evaluation of exploration prospect inventory to inform sustainable target production levels
- Future waterflood and EOR potential to mitigate production declines and increase recovery

Fully Funded Development Generating Material Free Funds Flow

- Organic growth plan on development acreage funded through free funds flow
- Low royalties of ~13% and opex / transport costs of ~\$15.00 per boe on heavy oil CGU drive attractive netbacks
- Generating sustainable free funds flow at current commodity price strip
- Excess discretionary free funds flow after sustaining capital directed to accelerated organic growth, exploration land capture and evaluation, acquisitions, debt repayment and ultimately returns to shareholders

Conservative Capitalization and Risk Mitigation

- \$140 MM bank credit facility, drawn \$103.3 MM, and \$20 MM Term Loan at March 31, 2025
- Risk management with hedging to protect capital investment plans and returns during growth ramp up
- Net Debt to Q1 2025 Annualized Adjusted Funds Flow at ~1.0x
- Perpetual recombination added ~4,000 boe/d of liquids-rich gas-focused production, diversified revenue, synergies, financial flexibility and optionality

Management Alignment and Operational Excellence

- Strong management alignment with insider share ownership of 44.4% and 100% ownership of the Term Loan
- Six independent board members (50% women); Team-focused, inclusive corporate culture
- Focused operations using multi-lateral drilling technology from multi-well pads with limited surface footprint
- Negligible use of freshwater given no fracture stimulation and oil-based mud drilling systems
- Profitable solution gas conservation projects advancing to reduce emissions

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Based on the Company's December 31, 2024 reserve report, the PV10 Net Asset Value based on proved plus probable reserves is \$6.47Cdn per share. < See March 10, 2025 Press Release

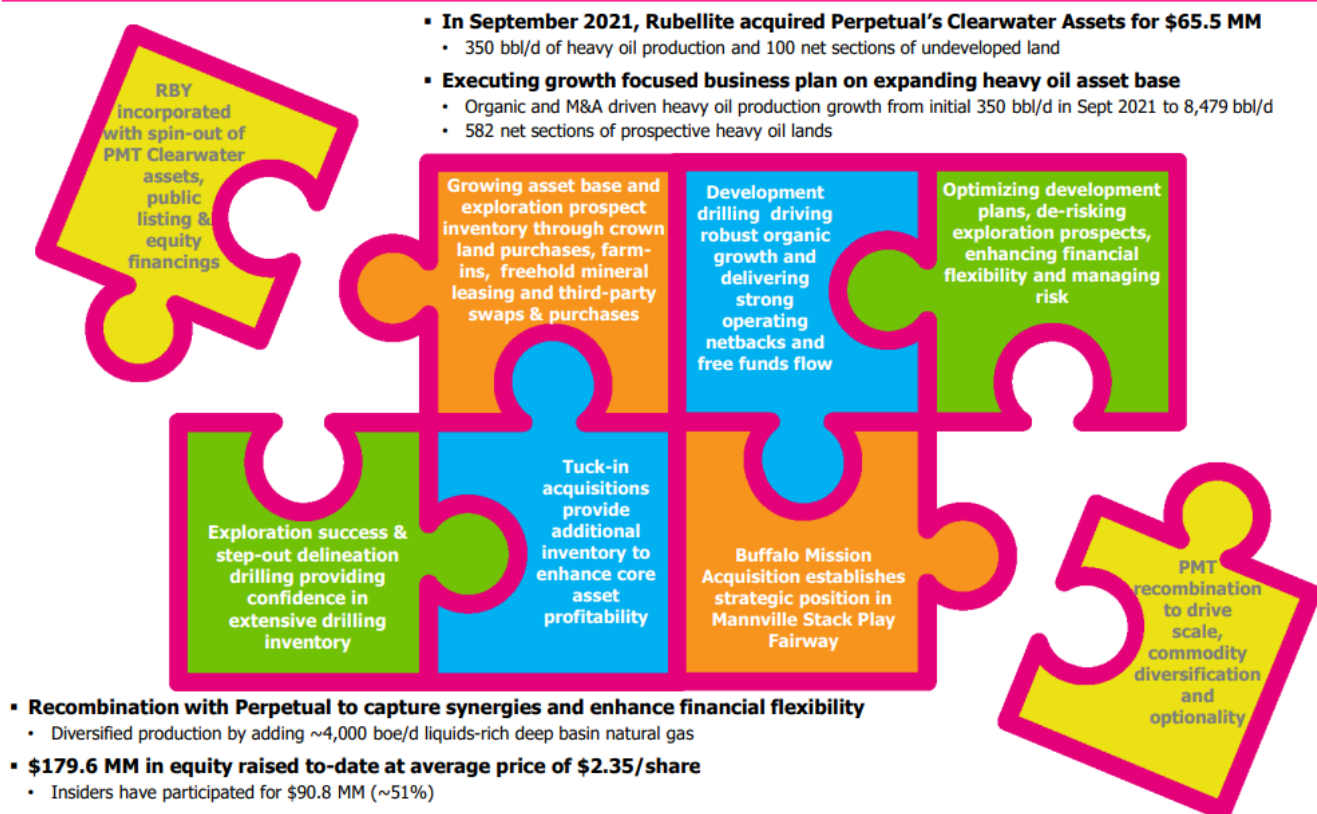


Company Overview

Rubellite Energy Inc. is a junior Canadian energy company incorporated by Perpetual Energy Inc. and established through a plan of arrangement in **September 2021**. The Company is engaged in the exploration, development and production of heavy crude oil from the Clearwater Formation and Mannville Stack in Eastern Alberta, utilizing multi-lateral drilling technology. Rubellite is pursuing a robust organic growth plan focused on superior corporate returns and free funds flow generation while maintaining a conservative capital structure. The recombination of Perpetual Energy and Rubellite happened on October 31, 2024 with Perpetual merging into Rubellite.

Corporate History

Incorporated in July 2021 as pure play Clearwater multi-lat focused junior E&P



Corporate Profile

Fully funded growth-focused heavy oil multi-lat E&P Company **TSX:RBY**



Investment Highlights

Large scale, focused asset base in the South Clearwater and Mannville Stack fairways

- Rank as amongst the top conventional plays in the WCSB on half-cycle returns

Fully funded, double-digit growth supported by strong netbacks and quick payouts

- March 2025 sales production of 12,679 boe/d (70% oil & liquids – 8,479 bbl/d of heavy oil)

Significant captured and derisked heavy oil drilling inventory to support growth plans

- 316 net heavy oil multi-lat development drilling locations
- Inventory to organically grow heavy oil production by 10% to 15% per year through 2029

Numerous heavy oil exploration prospects to de-risk to add inventory & grow asset value

Exposure to Enhanced Oil Recovery potential on base assets with large OOIP

Strategic exposure to high quality natural gas asset in the Deep Basin

Recent track record of acquisitions to expand growth opportunities and scale

Strong management alignment to drive returns with significant insider ownership

Capitalization

TSX	RBY
Shares Outstanding ⁽¹⁾	93.4 MM
Market Capitalization ⁽²⁾	\$160.6 MM
Revolving Bank Debt ⁽³⁾	\$103.3 MM
Term Loan ⁽⁴⁾	\$20.0 MM
Working Capital Deficit ⁽³⁾	\$24.4 MM
Net Debt ⁽³⁾	\$147.7 MM
Enterprise Value	\$308.3 MM
Insider Ownership	~44.4%

1. 101.5 MM fully diluted

2. TSX:RBY May 5, 2025 closing price of \$1.72/share

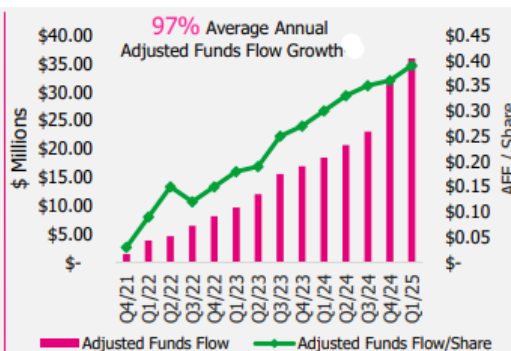
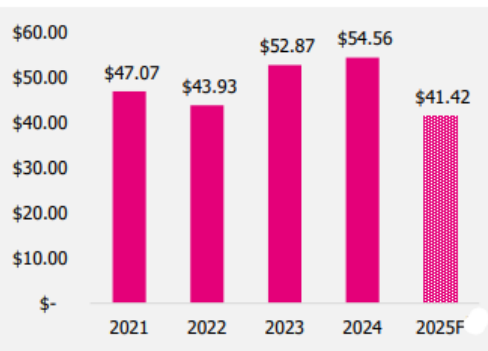
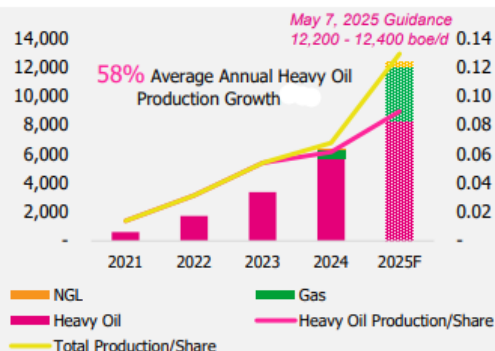
3. At March 31, 2025

4. Third lien security with 11.5% coupon, matures August 2029

Production Growth (boe/d)

Heavy Oil Operating Netback (\$/boe)

Adjusted Funds Flow



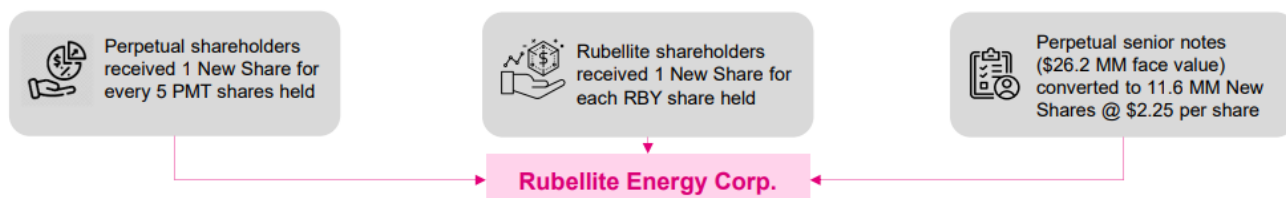
First Quarter 2025 Highlights

- Rubellite delivered a company record first quarter conventional **heavy oil sales of 8,339 bbl/d** that exceeded the high end of guidance (3% above the mid-point of the guidance range) and was up 8% relative to the fourth quarter of 2024 (Q4 2024 - 7,754 bbl/d) and 85% relative to the first quarter of 2024 (Q1 2024 - 4,514 bbl/d).
- First quarter **total sales production of 12,383 boe/d (70% heavy oil and NGL)** was up 19% from the fourth quarter of 2024 (174% relative to Q1 2024) while also exceeding the high end of guidance (2% above the mid-point of the guidance range). Production growth quarter over quarter was driven by the successful drilling program at Figure Lake and Frog Lake and a full quarter impact of the Recombination Transaction which added an average of 3,708 boe/d to sales volumes (20.0 MMcf/d of conventional natural gas and 371 bbl/d of NGL).
- Ten (8.0 net) new wells were brought on production from the heavy oil drilling program and at Figure Lake the newly constructed gas plant commenced operations on January 23, 2025 and added an average of 2.0 MMcf/d of solution gas sales in the first quarter of 2025.

- Exploration and development capital expenditures totaled \$22.3 million for the first quarter of 2025, in line with guidance of \$22 to \$24 million. First quarter spending included costs to drill, complete, equip and tie-in four (4.0 net) multi-lateral horizontal development wells at Figure Lake, six (4.5 net) multi-lateral horizontal development wells at Frog Lake, one (0.3 net) waterflood injection well at Marten Hills and one (1.0 net) exploratory well. Included in first quarter development capital spending was \$1.1 million for the Figure Lake gas conservation project.
- Land and other spending totaled \$2.5 million in the first quarter of 2025 to acquire 13.0 net sections of land and included \$0.4 million of spending on seismic purchases. An additional \$0.8 million (Q1 2024 - \$0.1 million) was spent on decommissioning, abandonment and reclamation activities.
- Adjusted funds flow was up 94% to \$35.9 million, and up 30% on a per share basis to \$0.39 per share, relative to the first quarter of 2024 (Q1 2024 - \$18.5 million; \$0.30 per share). Quarter-over-quarter, adjusted funds flow, after transaction costs was up 14% and 8% on a per share basis (Q4 2024 - \$31.6 million; \$0.36 per share), which marks another consecutive quarter of growth in adjusted funds flow per share since the inception of Rubellite.

Rubellite & Perpetual Recombination – Closed October 31, 2024

Valuable synergies with increased scale, greater liquidity, funds flow diversification and optionality



Recombination Highlights

Rubellite Contributed - Large scale exposure to operated heavy oil assets in the Clearwater and Mannville Stack plays

- Over 7,000 boe/d (100% oil) of conventional heavy oil production
- 582 net sections of prospective Clearwater, Mannville Stack and Heavy Oil exploration lands
- Multiple exploration prospects captured with material upside location inventory potential if successful
- Significant heavy oil resource captured beyond primary recovery in core development assets representing future enhanced recovery potential

Perpetual Contributed - Strategic exposure to high quality natural gas assets in the Deep Basin & Exploratory New Ventures

- Over 4,000 boe/d (~90% natural gas) of conventional natural gas and liquid production
- Predictable base production profile, attractive half cycle economics, operated by JV partner Tourmaline Oil Corp.
- Infrastructure in place to restore sales production to >6,500 boe/d when natural gas prices improve
- Land capture strategy advancing on several new exploration plays
- Substantial bitumen resource potential
- Helium exploration joint venture

Valuable Synergies to enhance free funds flow

- Material synergies of \$40 to \$50 million captured over next four years through lower combined G&A and interest costs, along with over \$550 million in combined resource tax pools and non-capital losses

Strong financial position to support business plan

- Increased liquidity with expanded bank borrowing base and continuation of the existing \$20 million Rubellite Term Loan due in 2029
- Fully-funded growth focused 2025 drilling program supported by both Rubellite and Perpetual's hedging risk management programs
- Funds flow diversification to manage commodity price cycles
- Increased scale to support expanded bank syndicate, capital partners and shareholder base
- Enhanced financial flexibility and optionality

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- Cash expenses were \$20.9 million or \$18.76/boe in the first quarter of 2025 (Q1 2024 - \$9.0 million or \$21.86/boe; Q4 2024 - \$18.6 million or 19.45/boe).
- Net income was \$1.2 million (\$0.01 per share) in the first quarter of 2025 (Q1 2024 - \$4.2 million net loss; Q4 2024 - \$26.7 million net income).
- Free funds flow of \$11.0 million was driven by adjusted funds flow of \$35.9 million exceeding capital expenditures including land and other spending of \$24.9 million, and was used to reduce net debt and other balance sheet obligations.
- As at March 31, 2025, net debt was \$147.7 million, a reduction in net debt of \$6.3 million from \$154.0 million as at December 31, 2024.
- Rubellite had available liquidity at March 31, 2025 of \$33.1 million, comprised of the \$140.0 million borrowing limit of Rubellite's first lien credit facility, less current bank borrowings of \$103.3 million and outstanding letters of credit of \$3.6 million. Subsequent to the end of the quarter, outstanding letters of credit were reduced by \$2.2 million to \$1.4 million, further enhancing available liquidity.

Operational Updates

Greater Figure Lake (Figure Lake and Edwand)

- Heavy oil production from the Greater Figure Lake area averaged 5,426 bbl/d (100% heavy oil) in March 2025 and 5,325 bbl/d (100% heavy oil) for the first quarter. Solution gas sales through the newly constructed gas plant and gas gathering system ramped up during the quarter, contributing 3.0 MMcf/d to total production at Figure Lake in March 2025 of 5,922 boe/d (92% liquids).
- In the first quarter of 2025, Rubellite drilled and rig released a total of four (4.0 net) horizontal wells in the Greater Figure Lake area, all targeting the Wabiskaw Member of the Clearwater Formation with the 33 meter inter-leg spacing well design adopted in the latter half of 2024. Results from the Q1 2025 capital program across the Greater Figure Lake field achieved an average IP30 of 286 bbl/d (3 wells) and IP60 of 260 bbl/d (2 wells), as compared to the McDaniel Tier 1 Type Curve for the 33 meter spacing well design of IP30 177 bbl/d and IP60 169 bbl/d.
- **Consistent production results continue to support the geologic model and affirm the 243.0 net development drilling inventory locations, including 96.2 net proven and probable undeveloped booked locations.** Under a one-rig program, which would provide for the drilling of 18 wells per year, the location count at Figure Lake represents over 13 years of low-risk development drilling inventory.

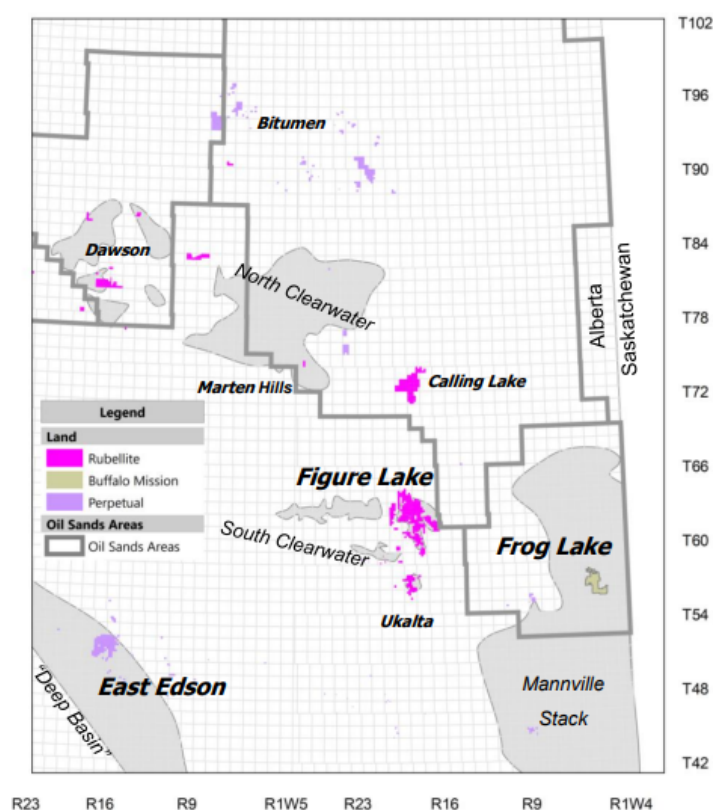
- With expected ongoing growth in heavy oil volumes, Rubellite is evaluating options to manage additional gas volumes, including expansion of the gas plant for increased sales volumes as well as temporary gas storage into a depleted reservoir. The Company is also advancing a novel natural gas re-injection pilot at Figure Lake for enhanced oil recovery with an experimental well now configured on the 1-13 plant site.
- In addition, during the first quarter Rubellite acquired 3D seismic to advance the evaluation of an exploratory prospect in the Sparky formation to be drill ready later in 2025 or early 2026.

Rubellite Asset Profile

Heavy oil production of >8,300 bbl/d & total production of >12,300 boe/d



Asset Map



Asset Summary

Area	Land (net acres)●	Well Count (net producing)	Production Q1/25 (boe/d)●
Figure Lake/Edward	158,131	97.0	5,326
Frog Lake	23,232	43.2	2,423
Ukalta	23,412	25.0	358
Marten Hills	576	3.3	205
Northern Exploration	167,458	1.5	27
Bitumen	72,960	-	-
Heavy Oil Total	445,769	170.0	8,339
Figure Lake Gas	-	-	336
East Edson	29,494	46.8	3,708
Other Exploration	72,440	-	-
Total	547,703	216.8	12,383

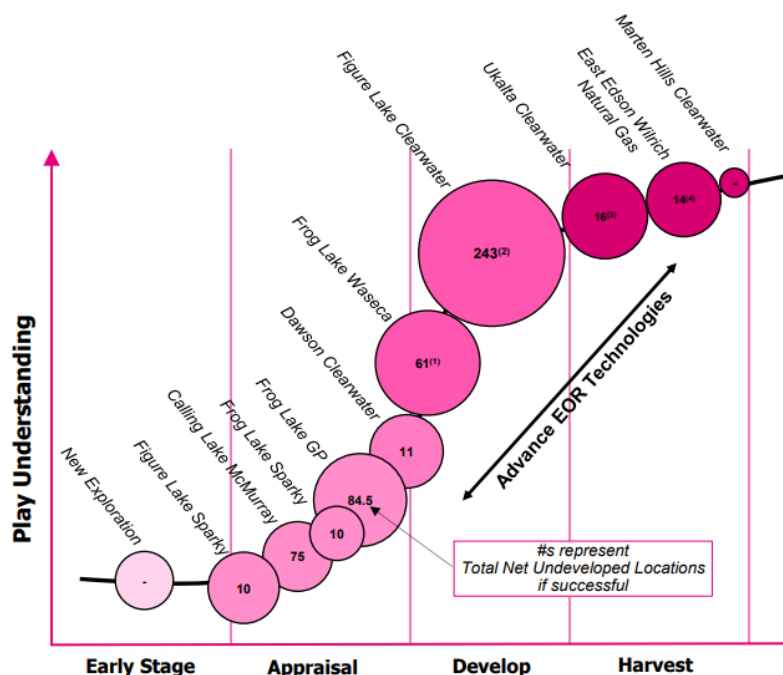
Current Production : 12,679 boe/d (70% heavy oil & NGL)

Property Status:

- Greater Figure Lake** - Development at denser inter-leg spacing; Step-out delineation; Experimenting with enhanced recovery ideas; Sparky evaluation
- Frog Lake** - Development in Waseca Sand; Additional exploratory zones to be evaluated for multi-lat development in 2025
- Marten Hills** - Developed on primary; Waterflood initiated
- Ukalta** - Focus on cost optimization with development inventory
- Other Heavy Oil Exploration** - De-risking prospects at Dawson & Calling Lake; Other prospects in various stages of land capture & assessment
- East Edson** - Sustain through capital program participate alongside partner to optimize value

Prospect Pipeline

Feeding a "pipeline" of primary development projects from new exploration plays



Exploration Prospects in Appraisal Stage

Dawson Clearwater – 11.0 net Locations

- 23.0 net sections
- Horizontal test well drilled in Q1 2023 – Winter production only

Frog Lake General Petroleum (GP) – 84.5 net Locations

- Lined horizontal development analogs prevalent
- Two (1.0 net) existing multi-lat producers
- Testing new well design in 2025 to improve hole stability and production

Frog Lake Sparky – 10.0 net Locations

- New pool mapped based on vertical well control

Calling Lake McMurray – 73.0 net Locations

- 108.0 net sections
- One (1.0 net) Horizontal test well drilled in Q4 2024 on production
- Likely hole collapse affecting inflow

Figure Lake Sparky – 10.0 net Locations

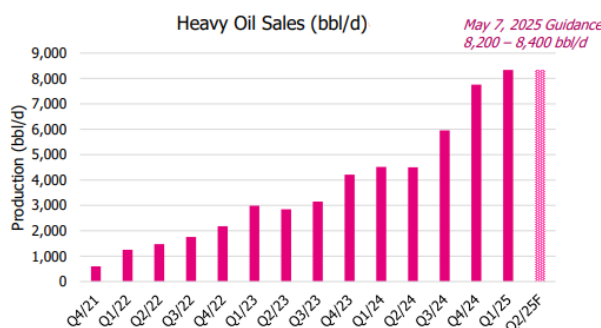
- New pool mapped
- Horizontal test well anticipated in 2025

Early-Stage Exploration

- Land capture ongoing in three new heavy oil plays
- Targeting new zones and formations amenable to open-hole horizontal multi-lat development

Heavy Oil Asset Performance

Strong operational momentum in Clearwater and Mannville Stack heavy oil asset base



Key Operational Metrics

>1,300

Lateral legs drilled

>15,000m

Average meters per well

>150

Multi-lats drilled to date

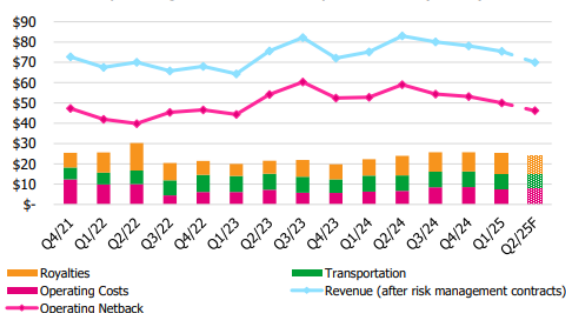
19,838m

Highest open hole meters in single well drilled to date

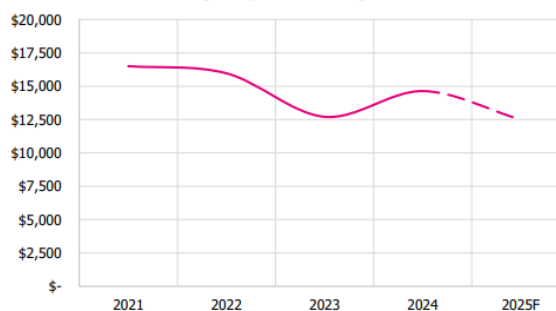
>1,550,000m

Total horizontal open hole length drilled to date

Operating Netback of Heavy Oil Assets (\$/boe)



Average Capital Efficiency IP30



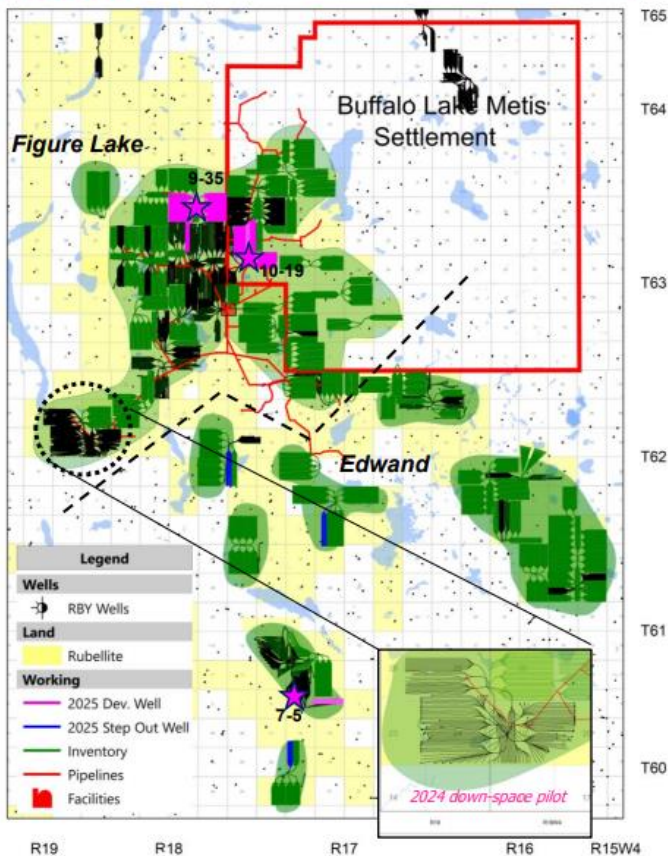
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Rubellite Asset Profile | Greater Figure Lake

Clearwater Development



Asset Map



Asset Summary

Working Interest: 100%

Q1/25 Production: 5,326 bbl/d 100% heavy oil; 2.0 MMcf/d natural gas (5,662 boe/d)
 ▪ 5,425 bbl/d heavy oil and 3.0 MMcf/d natural gas March 2025 sales (5,924 boe/d)
 ▪ 97.0 net multi-laterals on sales production

2024 Activity – 34 (34.0 net) wells

- Reduced inter-leg spacing in pilot project wells to 33m from 50m
 - 50m inter-leg spacing (~10,000m MD)
 - IP30: 155 bbl/d (24 wells) ; IP60: 139 bbl/d (24 wells)
 - 33m inter-leg spacing (~15,000m MD)
 - IP30: 221 bbl/d (10 wells) ; IP60: 187 bbl/d (9 wells)
- Successful step-out delineation program at Edwanda and South BLMS
 - 50m inter-leg spacing (~10,000m MD)
 - IP30: 195 bbl/d (6 wells) ; IP60: 186 bbl/d (6 wells)

Gas Conservation Project

- Constructed 5.0 MMcf/d gas plant & gathering system; On-stream Jan 23, 2025
- Evaluating expansion to 6.0 MMcf/d in late 2025 to accommodate growth

2025 Activity – 19 (19.0 net) wells

- One rig continuous drilling 33m inter-leg design
 - 16.0 Development Wells – Type Curve IP30 177 bbl/d; IP60 169 bbl/d
 - IP30: 286 bbl/d (3 wells) ; IP60 260 bbl/d (2 wells)
 - 3.0 net Step-Out / Delineation Wells

Location Inventory – Figure Lake & Edwanda

- 243.0 net locations as at Jan. 1, 2025
 - 65.6 net proven undeveloped and 30.6 net probable undeveloped booked Primary Zone HZ Development locations
 - 146.8 net additional Clearwater drilling locations on existing lands
 - >13 years of development at 18 wells/year

Rubellite Asset Profile | *Figure Lake Down-Space Development Plan*

Accelerating production and improving recovery factor per well across same drainage area



Clearwater Development

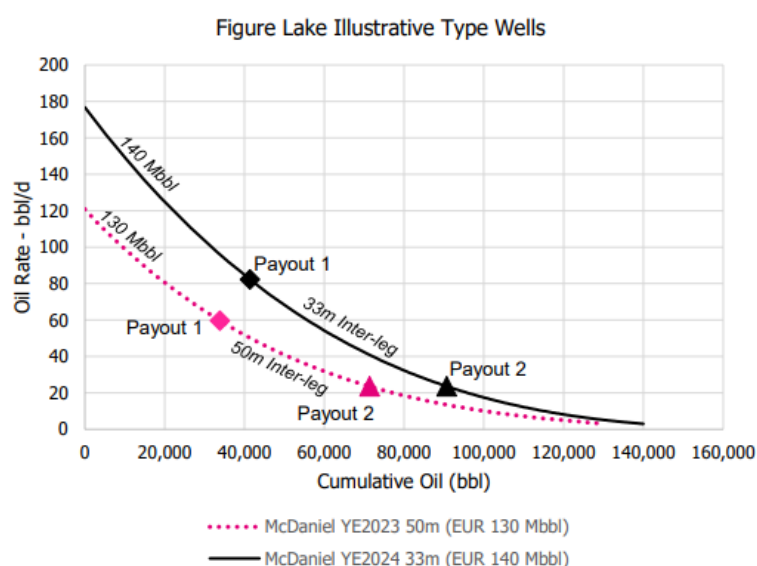
- Historical well design: ~50m inter-leg spacing
 - 8 open hole lateral legs with oil-based mud
 - ~10,000m MD of open hole
- Down-space well design: ~33m inter-leg spacing
 - 12 open hole lateral legs; >15,000m MD of open hole

Decreasing Inter-Leg Spacing from 50m to 33m:

- Increases IRR by 16% to ~106% (YE 2024 vs YE 2023)
- Increases estimated Recovery Factor by 8% to 5.4% (YE 2024 vs YE 2023)
- Increases NPV per Location by 4% to \$2.8 MM (YE 2024 vs YE 2023)
- Improves Capital Efficiency per meter drilled by 15%
- Accelerates Payout by 23% from 1.3 to 1.0 years

Type Curve Sensitivities – Figure Lake

Assumptions	33m Inter-leg Spacing	50m Inter-leg Spacing
	McDaniel Type Curve (YE 2024) ⁽¹⁾	McDaniel Type Curve (YE 2023) ⁽¹⁾
Drainage Area (Ha)	50	50
Horizontal Length (m)	15,000	10,000
IP30/100m (bbl/d)	1.18	1.2
IP30 (bbl/d)	177	120
IP360 (bbl/d)	120	88
Estimated Ultimate Recovery TPP (Mbbl)	140	130
Economics⁽¹⁾ (gross per well)		
D,C&E Capex (\$MM)	2.5	1.95
D,C&E Capex (\$/m)	166	195
TPP F+D (\$/bbl)	17.85	15.00
NPV10 (\$MM)	2.8	2.5
First Payout (months)	12	14
Second Payout (months)	49	47
Third Payout (months)	-	168
# of Payouts	2.8	3.3
Rate of Return	106%	90%



Frog Lake

- Production at the Frog Lake property averaged 2,471 bbl/d (100% heavy oil) net to Rubellite in March 2025 and 2,423 bbl/d (100% heavy oil) for the first quarter.
- The Company switched its drilling operations at Frog Lake in December 2024 to utilize Oil-Based Mud ("OBM") and subsequently drilled and rig released six (4.5 net) horizontal wells in the first quarter of 2025 at North Frog Lake, targeting the Waseca Sand of the Mannville Stack. The OBM trial at Frog Lake is expected to confirm the benefits of using OBM fluid consistent with Rubellite's operations at Figure Lake, where the use of OBM has improved hole cleaning and stability, accelerated the time to stabilized reservoir production, and reduced drill pipe wear, water handling and disposal costs as compared to conventional water-based mud systems.

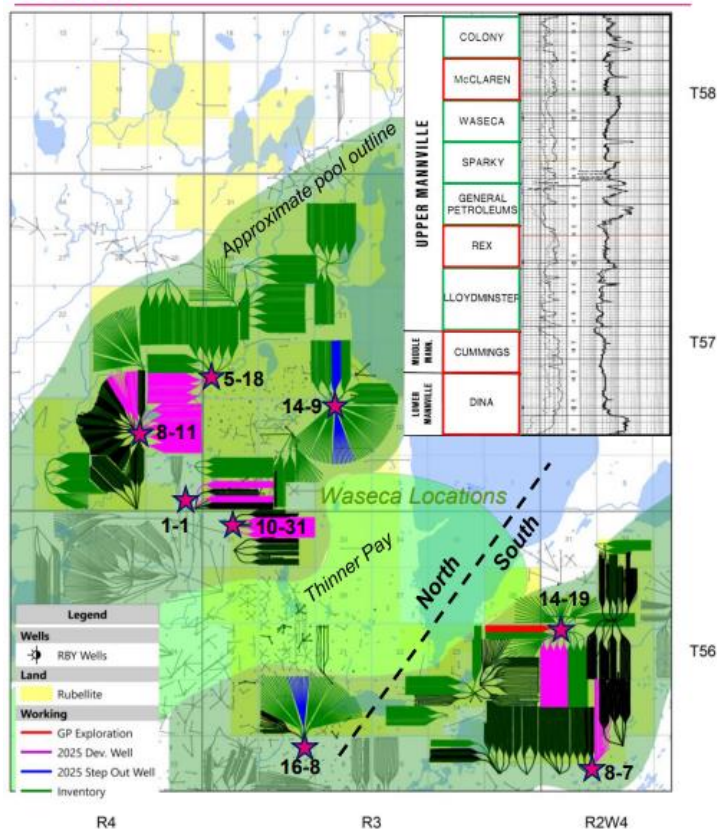
- Results from the Q1 2025 capital program at Frog Lake achieved an average IP30 and IP60 of 154 bbl/d (4 wells) and 140 bbl/d (3 wells) respectively, as compared to the McDaniel Waseca North Type Curve IP30 and IP60 of 107 bbl/d and 104 bbl/d established using historical data obtained from wells drilled with water-based mud systems. Alongside the preliminary production results, drilling costs, fluid losses, and OBM recovery rates for re-use in the drilling of subsequent wells have all been encouraging, and the Company is continuing to utilize OBM in its ongoing drilling operations at Frog Lake.
- In addition to continued drilling of the Waseca sand as the primary development zone at Frog Lake, the Company is planning several exploratory evaluation wells in 2025 and 2026 using an alternative well design to test the less consolidated General Petroleum and Sparky sands. Learnings from these wells will confirm type curve assumptions and inform mapping parameters and appropriate geological cutoffs for future economic development of these additional zones in the Mannville Stack.

Rubellite Asset Profile | Frog Lake

Waseca development and operations optimization



Asset Map



Asset Summary

Primary target: Waseca A member of the Mannville Stack with upside in the Sparky and General Petroleum (GP)

Working Interest: ~50%

- Joint Economic Development Agreements in place with Frog Lake First Nation Energy Resource Corp. (FLERC)
- FLERC can elect to participate as a 50% WI non-op partner or receive a gross overriding royalty of 5% on JED I & II, 6.5% on JED III

Key Statistics:

- 23,195 net acres (43,030 gross); 36.3 net sections (67.3 gross)
- Q1/25 Production 2,423 bbl/d (100% heavy oil)
- 2,471 bbl/d March 2025 production (100% heavy oil)
 - 43.2 net (57 gross) producing wells
- 122 gross (61.0 net) Waseca locations as at Jan 1, 2025
 - 16.5 net proven undeveloped and 10.0 net probable undeveloped booked Primary Zone HZ Development locations
 - 34.5 net additional Waseca inventory locations on existing lands
 - >5 years of Waseca development at 24 gross (12.0 net) wells/year
- 220 gross (110 net) additional potential locations across other zones within Mannville Stack

2025 Activity: Focus on Waseca Development & GP Well Design

- One rig continuous drilling program utilizing new OBM mud system design
- Budget includes 24 (14.0 net) wells
- One (0.5 net) GP exploration test planned in second half of 2025
- IP30 154 bbl/d (4 wells) and IP60 140 bbl/d (3 wells) vs. McDaniel Type Curve 107 bbl/d and 104 bbl/d, respectively

Rubellite Asset Profile | Frog Lake Type Curves

Mannville Stack – Waseca North and Waseca South



Waseca Development

- Historical well design:
 - ~25m inter-leg spacing
 - ~15,000m MD of open hole multi-lateral
 - Water-based mud system
 - Type curves based on historical KCL mud system well design performance

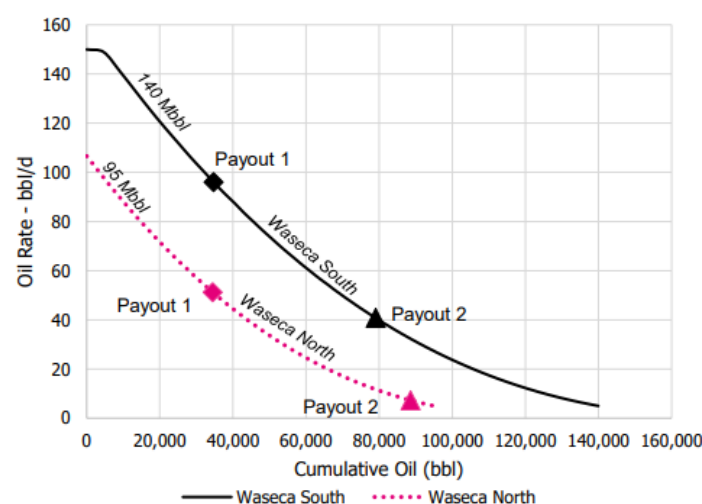
Switched to Oil-Based Mud in 2025 to:

- Improve hole cleaning and stability
- Reduce water handling and disposal costs
- Accelerated time to initial and peak oil production
- Improve initial reservoir performance with expected solvent effect
- Improve well start-up and field operations

Frog Lake Type Curves – KCL Mud System

Assumptions	Frog Lake	
	Waseca North ●	Waseca South ●
Drainage Area (Ha)	50	50
Horizontal Length (m)	15,000	15,000
Inter-leg Spacing (m)	25	25
IP30/100m (bbl/d)	0.7	1.0
IP30 (bbl/d)	107	150
IP360 (bbl/d)	80	118
Estimated Ultimate Recovery TPP (Mbbl)	95	140
Economics ● (gross per well)		
D,C&E Capex (\$MM)	1.9	1.9
D,C&E Capex (\$/m)	127	127
TPP F+D (\$/bbl)	20.00	13.57
NPV10 (\$MM)	0.62	1.33
First Payout (months)	16	10
Second Payout (months)	110	33
Third Payout (months)	-	-
# of Payouts	2.0	2.9
Rate of Return (%)	61	149

Frog Lake Illustrative Type Wells



Marten Hills

- The Company rig released its first water injection well at Marten Hills in late February, and pending routine regulatory approvals, expects to commence waterflood operations during the second quarter. Value is expected to be realized through reduced water handling costs, reduced production declines and enhanced reserve recoveries.

Other Exploration

- In addition to exploration activities in the General Petroleum and Sparky zone at Frog Lake and the Sparky prospect at Figure Lake, the Company is continuing to advance multiple additional new venture exploration prospects, pursuing both land capture and play concept derisking activities while minimizing its risk capital exposure.

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2024 Reserves Highlights

Organic growth and acquisitions combined for reserve value creation

2024 Corporate Reserves Additions

Proved plus Probable

- TPP increased 231% year-over-year
- TPP per Debt Adjusted Share increased 69% year-over-year
- TPP additions replaced 2024 Annual Production by 17 times
- TPP FD&A including changes in FDC of \$14.66/boe

Proved Developed Producing

- PDP increased 230% year-over-year
- PDP per Debt Adjusted Share increased 69% year-over-year
- PDP additions replaced 2024 Annual Production by 6 times

FD&A including changes in FDC costs of \$14.66/boe

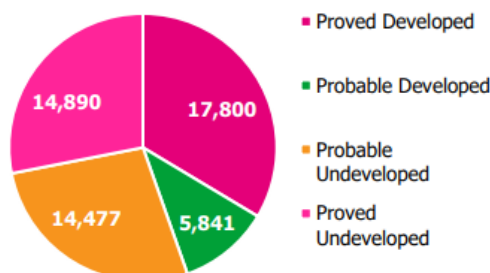
Clearwater Drill Bit Recycle Ratio of 2.8 times

Reserve Life Index

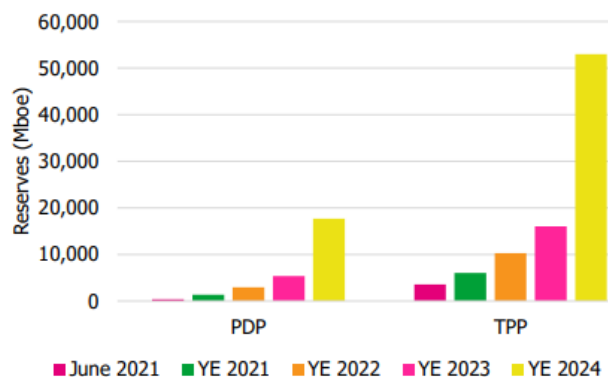
- RLI ranging from 7.6 years (PDP) to 22.8 years (TPP)

YE 2024 Reserves (Mboe)

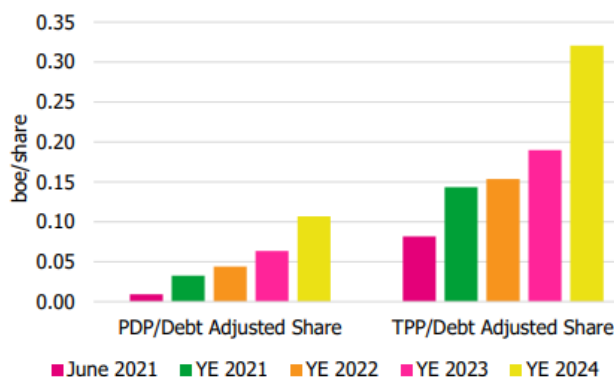
TP 32.7 MMboe
TPP 53.0 MMboe
51% Heavy Oil



Reserves Growth



Reserves / Debt-Adjusted Share



Acquisition of Buffalo Mission – Closed August 2, 2024

- On August 2, 2024, Rubellite closed the previously announced acquisition of Buffalo Mission Energy Corp. ("Buffalo Mission") for total consideration of \$97.5 million (the "Acquisition"), inclusive of \$23.5 million of assumed net debt, which consisted of \$62.7 million in cash and the issuance of 5.0 million common shares of Rubellite to certain shareholders of Buffalo Mission having a deemed value of \$11.3 million.
- Rubellite funded the cash portion of the Acquisition through (a) expanded bank credit facilities (the "Expanded Facility") and (b) a new senior secured second-lien term loan placed, directly or indirectly, with certain directors and officers of Rubellite and the Company's significant shareholder for \$20.0 million (the "Second-Lien Term Loan"). The Company's borrowing base was increased to \$100.0 million from \$60.0 million on June 30, 2024, until the next scheduled semi-annual borrowing base redetermination on or before November 30, 2024. In addition, the Company's lenders provided a \$20.0 million bank syndicate term loan that matures on or before December 15, 2024. The Second-Lien Term Loan bears interest at 11.5% with interest to be paid quarterly and matures in five years from the date of issue and can be repaid by the Company without penalty at any time.

Buffalo Mission Energy Corp. Acquisition – Closed August 2, 2024

Highly complimentary Mannville Stack Asset Base added to existing Clearwater operations



Acquisition Highlights

- \$97.5 million total consideration
 - \$23.5 million of assumed net debt, \$62.7 million in cash & 5 million RBY shares at a deemed value of \$11.3 million
- 2,500 boe/d net (100% heavy oil) (July field estimate)
- 67.3 gross (36.3 net) sections of contiguous Mannville Stack rights at ~54% working interest
- 170 gross (85 net) identified drilling locations in primary producing Waseca formation
- 220 gross (110 net) additional potential locations across other zones within Mannville Stack
- Focused operations in partnership with Frog Lake First Nation & FLERC through 50% JED participation

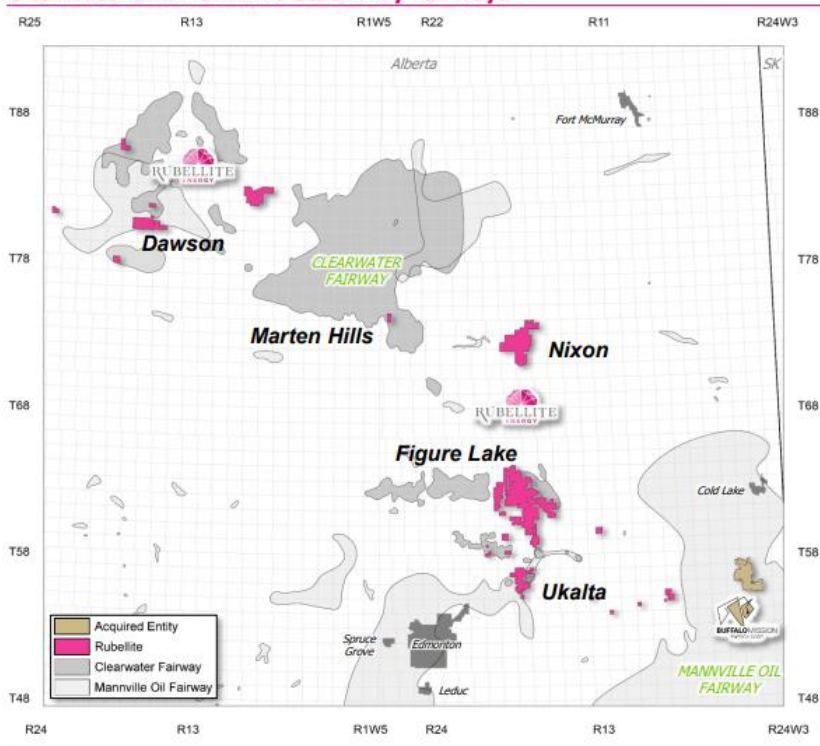
Transaction and FLERC Metrics

- 2.3 x annualized net operating income with ~\$47/bbl operating netback at US\$75/bbl WTI
- \$39,000 per flowing boe acquired (100% heavy oil)

Strategic Rationale

- Attractive land, production and inventory base to ground a growth strategy in the complementary Mannville Stack play in the Cold Lake Oil Sands Region
- Positions Rubellite as a leading explorer, developer and consolidator in the Clearwater & Mannville Stack plays
- Increases size and scale
 - Increases high netback heavy oil production base by ~56%
 - Increases adjusted funds flow by approximately 38%
- Value-add inherent through synergies
- Enhances free funds flow to accelerate organic growth, advance exploration activities and reduce debt
- Expands strong relations with Indigenous communities through partnership with Frog Lake First Nation and FLERC

Clearwater and Mannville Stack Play Fairways



Outlook and Guidance

- **For the remaining three quarters of 2025, Rubellite has budgeted to spend a total of \$73 to \$88 million** primarily on the exploration and development drilling program, excluding expenditures on land and abandonment and reclamation activities, which is unchanged from previous guidance. Planned capital activity at the low end of the spending guidance range includes: drilling an additional fifteen (15.0 net) multi-lateral development / step-out wells in the Greater Figure Lake area; drilling an additional eighteen (9.5 net) multi-lateral wells in the Frog Lake area, including at least one (0.5 net) well to evaluate the General Petroleum zone in the Mannville Stack; capital to expand the Figure Lake gas conservation project including additional plant optimization and pipeline tie-ins; participation in the drilling of four (2.0 net) wells at East Edson; spending to continue to evaluate additional heavy oil exploration prospects and advance enhanced oil recovery.
- If market conditions warrant, the Company will consider expanding its planned activity levels to the high end of the spending guidance range which would further grow production levels into 2026. **However, with the recent significant decline in oil prices, the Company is monitoring its capital spending plans and evaluating reducing its second half 2025 capital program.** The Company will continue to strive for meaningful per well capital cost reductions to drive attractive rates of return and payout periods and will manage its capital spending to prioritize free funds flow generation over production growth in a weak oil price environment.
- Heavy oil sales volumes based on the current budget are expected to grow 44% to 48% year-over-year to average between 8,200 - 8,400 bbl/d in 2025. Total production sales volumes, including natural gas and NGL volumes at East Edson and solution gas sales at Figure Lake, are forecast to average 12,200 - 12,400 boe/d in 2025.
- Forecasted activity will be funded from adjusted funds flow, with excess free funds flow applied to reduce net debt and other balance sheet obligations. Aided by Rubellite's extensive commodity price risk management positions, the Company continues to forecast strong adjusted funds flow and free funds flow through the second and third quarters of 2025 based on the forward market for commodity prices as at May 7, 2025.
- Rubellite will continue to address end of life ARO, with total abandonment and reclamation expenditures of approximately \$1.1 million planned for the final three quarters of 2025. In combination with the \$0.8 million of asset retirement obligation spending in the first quarter, the Company is on track to exceed its area-based mandatory spending requirement for 2025 of \$1.7 million, as calculated by the Alberta Energy Regulator ("AER").

Guidance and Balance Sheet

Growth-focused development plans funded out of Adjusted Funds Flow at current strip prices



Guidance (May 7, 2025)

	Q2 2025	2025
E&D Capital Expenditures (\$ MM)	\$26 - \$30	\$95 - \$110
Average Sales Production (boe/d)	12,200 - 12,400	12,200 - 12,400
Production mix (% oil and liquids)	70%	70%
Heavy Oil Production (bbl/d)	8,200 - 8,400	8,200 - 8,400
Heavy Oil Wellhead Differential (\$/bbl)	\$5.00 - \$5.50	\$5.00 - \$5.50
Royalties (% of revenue)	13% - 14%	13% - 14%
Operating Costs (\$/boe)	\$7.00 - \$7.75	\$7.00 - \$7.75
Transportation Costs (\$/boe)	\$5.50 - \$6.00	\$5.50 - \$6.00
G&A (\$/boe)	\$3.00 - \$3.50	\$3.00 - \$3.50

Balance Sheet

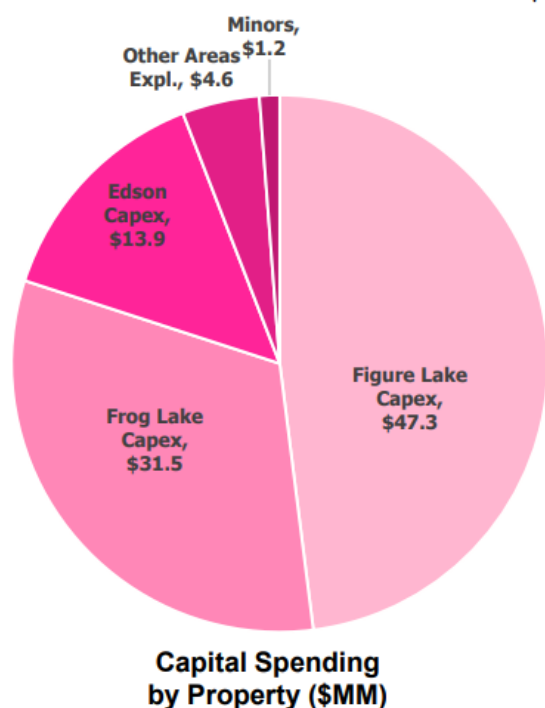
	Perpetual Q2/24	Rubellite Q3/24	Year End 2024
Revolving Bank Debt Borrowing Capacity (\$ MM)	\$30.0	\$100.0	\$140.0
Revolving Bank Debt Draw (\$ MM)	\$1.5	\$72.2	\$105.9
Bank Syndicated Term Loan (\$ MM)		\$20.0	Fully repaid
Rubellite Term Loan (\$ MM)		\$20.0	\$20.0
Working Capital Deficit (\$ MM)	-\$3.0	\$35.8	\$28.1
Perpetual Senior Notes (\$ MM)	\$26.2		Converted into shares
Total Net Debt (\$ MM)	\$24.7	\$147.9	\$154.0

2025 Annual Capital Spending Plan

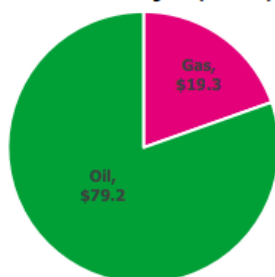
Development, Delineation and Exploration



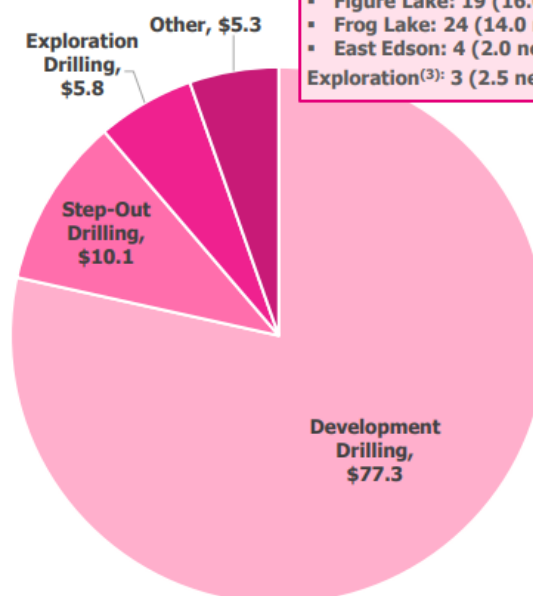
2025 Exploration and Development Capital Spending \$98.5 MM Base Budget



Capital Spending by Commodity (\$MM)



Capital Spending by Activity Type (\$MM)



2025 E&D Drilling Program

37.8 net wells

Development:

- Figure Lake: 19 (16.0 net)
- Frog Lake: 24 (14.0 net)
- East Edson: 4 (2.0 net)

Exploration⁽³⁾: 3 (2.5 net)

Harry van Neck's Analysis

Reserves and Production

Reserves increased tenfold in the period 2021-2024, following the Buffalo Mission acquisition and the merger with Perpetual. The RRR is high. Production is fast growing from 12 K BoE/d to 15 K BoE/d. Fluids are 49% oil, 4% NGL and 47% gas.



Balance Sheet

The balance sheet is sound. The equity ratio is a good 55%. The Q1 2025 long-term debt of C\$ 103M leads into good debt/EBITDA ratios.

Balance sheet – WTI = \$ 62.50/bbl	Late 2025	Late 2026	Late 2027	Late 2028	Late 2029
Equity ratio	58.1%	59.4%	61.0%	63.1%	66.1%
Debt/EBITDA ratio	0.71	0.69	0.61	0.50	0.35

Profitability and Shareholder Returns

Profitability/returns – WTI = \$ 62.50/bbl	2025	2026	2027	2028	2029
Eps (C\$)	C\$ 0.23	C\$ 0.12	C\$ 0.12	C\$ 0.18	C\$ 0.22
Price Earnings ratio	7.5	10.1	10.4	9.9	7.8
Shareholder returns	5.2%	4.6%	5.5%	7.1%	10.1%

Summary

Rubellite Energy is a small Canadian company, which produces heavy oil from the Clearwater and the Mannville formations in the Deep Basin in eastern Alberta and gas/NGL from East Edson. Rubellite was started mid-2021. In 2024 Rubellite acquired Buffalo Mission and merged with Perpetual. Reserves and production are fast growing. The balance sheet is sound. The PE ratio is medium. Shareholder returns can start mid-2025 and will increase thereafter, assuming no further acquisitions. Rubellite is a small cap. Market value is US\$ 126US million.

Net Income and Cash Flow Forecast Model

On August 2, 2024, Rubellite closed the previously announced acquisition of Buffalo Mission Energy Corp. ("Buffalo Mission") for total consideration of \$97.5 million (the "Acquisition"), inclusive of \$23.5 million of assumed net debt, which consisted of \$62.7 million in cash and the issuance of 5.0 million common shares of Rubellite to certain shareholders of Buffalo Mission having a deemed value of \$11.3 million.

Rubellite Energy (RBY.TO and RUBLF) Net Income and Cash Flow 2022 - 2026 (updated 6/5/2025) Canadian Dollars in thousands, except per share amounts														The merger of Perpetual Energy into Rubellite closed October 31, 2024. Post closing Rubellite had ~93,000 shares of common stock outstanding and 2024 exit rate of production of more than 12,000 Boepd (70% liquids)	
	Actual 2022	Actual 2023	Actual Qtr1 2024	Actual Qtr2 2024	Actual Qtr3 2024	Actual Qtr4 2024	Actual Year 2024	Actual Qtr1 2025	Forecast Qtr2 2025	Forecast Qtr3 2025	Forecast Qtr4 2025	Forecast Year 2025	Forecast 2026		
REVENUES:															
Oil and natural gas sales	\$54,491	\$88,968	\$29,823	\$35,798	\$43,682	\$59,081	\$168,384	\$66,607	\$60,653	\$63,273	\$65,662	\$256,194	\$323,070	< Forecast periods include estimated cash settlements on hedges which are broken out on row 3	
Less: Royalties	(5,713)	(8,513)	(3,321)	(3,949)	(5,259)	(7,743)	(20,272)	(9,449)	(8,188)	(8,700)	(9,193)	(35,530)	(45,230)	< Royalties estimated at 13.5% to 14% X Row 10	
Other income	0	0	0	0	0	178	178	102	150	150	150	552	800		
Realized gains (losses) on hedges	(13,142)	(318)	1,040	(1,786)	168	3,160	2,582	(188)	0	0	0	(188)	0		
Unrealized gains (losses) on hedges	2,025	8,652	(13,910)	3,588	11,418	(13,348)	(12,252)	(7,607)	0	0	0	(7,607)	0		
	37,661	88,789	13,632	33,651	50,009	41,328	138,620	49,465	52,615	54,723	56,619	213,421	278,640		
EXPENSES:															
Production and operating expenses	4,399	7,371	2,610	2,734	4,634	6,714	16,692	7,898	8,104	8,328	8,395	32,725	36,237	< \$7.30/boe	
Transportation	4,448	9,045	3,237	3,142	4,202	5,747	16,328	6,231	6,217	6,388	6,440	25,277	28,543	< \$5.75/boe	
G&A expenses	3,316	7,318	2,027	2,399	2,668	3,522	10,616	4,414	3,608	3,708	3,738	15,467	16,133	< \$3.25/Boe	
Share based payments	1,724	3,041	736	643	824	1,368	3,571	553	750	750	1,500	3,553	4,000		
Exploration and evaluation	94	7,018	131	144	13	253	541	3,202	1,000	1,000	1,000	6,202	3,000		
(Gain) loss on dispositions	0	(1,290)	0	0	0	(31,617)	(31,617)	0	0	0	0	0	0		
DD&A	13,462	27,485	8,897	8,744	13,118	19,088	49,847	22,162	22,204	22,816	23,000	90,182	99,280	< \$20.00/boe	
Transaction costs	0	147	0	0	2,010	4,223	6,233	132	0	0	0	132	0		
Finance expenses paid in cash	343	1,923	1,107	980	2,035	2,782	6,904	2,459	2,800	2,700	2,600	10,559	10,000	< Increased debt to pay for Buffalo Mission Acq. in August, 2024	
Finance - non-cash amortization	67	128	64	69	99	240	472	444	250	250	250	1,194	1,000		
TOTAL EXPENSES	27,853	62,186	18,809	18,855	29,603	12,320	79,587	47,495	44,934	45,940	46,923	185,291	198,193		
NET INCOME BEFORE INCOME TAXES	9,808	26,603	(5,177)	14,796	20,406	29,008	59,033	1,970	7,681	8,783	9,697	28,130	80,447		
INCOME TAXES															
Current	0	0	0	0	0	0	0	0	0	0	0	0	0	< Tax Pools cover all current taxes thru 2026	
Deferred	(14,797)	8,042	(1,024)	2,428	5,396	2,260	9,060	810	1,767	2,020	2,230	6,827	18,503	< 23%	
NET INCOME to common stockholders	\$24,605	\$18,561	(\$4,153)	\$12,368	\$15,010	\$26,748	\$49,973	\$1,160	\$5,914	\$6,763	\$7,466	\$21,303	\$61,944		
														2024 EBITDA	2025 EBITDA
														\$89,987	Per ths forecast \$127,113
Common Stock at end of each period	54,826	62,456	62,460	62,593	67,593	93,044	71,423	93,387	93,500	93,600	93,700	93,547	94,000	< Buffalo Mission Acq. on 8/2/24 added 5 million shares (see notes above)	
Earnings per share	\$0.45	\$0.30	(\$0.07)	\$0.20	\$0.22	\$0.29	\$0.70	\$0.01	\$0.06	\$0.07	\$0.08	\$0.23	\$0.66	< EPS	2026 EBITDA
NOTE: Current First Call Estimated EPS								\$0.01	N/A	N/A	N/A	N/A	N/A	< First Call's EPS Forecasts	Per ths forecast \$180,727
Adjusted Operating Cash Flow before CapEx	\$23,036	\$54,154	\$18,331	\$20,637	\$22,907	\$30,820	\$92,695	\$31,215	\$29,385	\$28,599	\$28,447	\$117,645	\$167,727	< Q2 thru Q4 2025 CapEx Guidance \$73 to \$88 million	
Cashflow per share (before CapEx)	\$0.42	\$0.87	\$0.29	\$0.33	\$0.34	\$0.33	\$1.30	\$0.33	\$0.31	\$0.31	\$0.30	\$1.26	\$1.78	Target Price 4 X 2024-2026 CFPS = \$5.60 < Cdn	
PRODUCTION														U.S. Price Target for RUBLF \$3.92 < U.S. at 70% of Cdn PT	
Natural Gas (mcfpd)	0	0	0	0	0	13,920	3,480	22,038	21,960	22,320	22,500	22,205	22,440	Q4 2024 Mix	
Oil (bbls/d)	1,670	3,302	4,514	4,503	5,954	7,754	5,681	8,339	8,174	8,308	8,375	8,299	9,384	< 23% Ngas to 30% in 2025, 27.5% in 2026	
NGLs (bbls/d)	0	0	0	0	0	312	78	371	366	372	375	371	476	< 75% Heavy Oil to 67% in 2025, 69% in 2026 < 2025 Drilling Program to increase oil prod.	
boepd	1,670	3,302	4,514	4,503	5,954	10,386	6,339	12,383	12,200	12,400	12,500	12,371	13,600	< 02% NGLs to 3% in 2025, 3.5% in 2026	
YOY growth		97.7%					92.0%					95.1%	9.9%	< Updated 2025 production guidance is 12,200 to 12,400 Boepd (~70% heavy oil & NGLs)	
PRODUCT PRICES														Year-over-year production growth (per RBY: "10% to 15% after 2025)	
Natural Gas (\$/mcf)	0.00	0.00	0.00	0.00	0.00	1.50	0.38	3.09	2.50	3.00	3.25	2.96	3.25	< "WAG"	
Oil (\$/bbl)	67.82	73.56	75.13	83.00	80.05	82.73	80.23	77.33	72.14	71.81	73.35	73.66	83.00	< Heavy oil prices from table below less \$23.00 differential	
NGLs (\$/bbl)	0.00	0.00	0.00	0.00	0.00	65.30	16.33	67.54	60.00	65.00	70.00	65.64	70.00		
Gross Revenue check (prod * ave price)	41,349	88,650	30,863	34,012	43,850	62,811	171,536	66,419	60,653	63,273	65,662	256,006	323,070		
								66,419	61,500	63,700	N/A	259,900	277,500	< First Call's Revenue Forecasts	