

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or except pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws and in accordance with the Underwriting Agreement (as defined herein). This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution" in this short form prospectus.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Rubellite Energy Inc., at Suite 3200, 605 – 5th Avenue S.W., Calgary, Alberta T2P 3H5 (telephone (403) 269-4400) and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

March 23, 2022



Rubellite Energy Inc.

\$22,010,000

6,200,000 Common Shares

Rubellite Energy Inc. ("**Rubellite**" or the "**Company**") is a Canadian energy company engaged in the exploration, development and production of conventional heavy crude oil from the Clearwater formation in Eastern Alberta, utilizing multi-lateral horizontal drilling technology. Rubellite has a pure play Clearwater asset base and is pursuing a robust growth plan focused on superior corporate returns while maintaining a conservative capital structure and prioritizing environmental, social and governance ("**ESG**") excellence.

The Company is offering for sale an aggregate of 6,200,000 common shares (the "**Common Shares**") in the capital of the Company for gross proceeds of \$22,010,000 (the "**Offering**") at a price of \$3.55 per Common Share (the "**Offering Price**"). If the Over-Allotment Option (as defined herein) is exercised in full, an additional 930,000 Common Shares will be sold by the Company. See "*Plan of Distribution*" in this short form prospectus.

The issued and outstanding Common Shares are listed on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "RBY". On March 9, 2022, the last trading day before the public announcement of the Offering, the closing price of the Common Shares on the TSX was \$3.78 and on March 22, 2022, the last trading day before the filing of this short form prospectus, the closing price of the Common Shares on the TSX was \$3.75. The TSX has conditionally approved the listing of the Common Shares, including the Common Shares issuable on exercise of the Over-Allotment Option, distributed under this short form prospectus. Listing is subject to the Company fulfilling all of the listing requirements of the TSX on or before June 20, 2022. See "*Plan of Distribution*" in this short form prospectus.

The Offering is being underwritten by Peters & Co. Limited (the "**Lead Underwriter**"), BMO Nesbitt Burns Inc., ATB Capital Markets Inc., Stifel Nicolaus Canada Inc., Cormark Securities Inc. and Raymond James Ltd. (collectively with the Lead Underwriter, the "**Underwriters**"). See "*Plan of Distribution*" in this short form prospectus.

Price: \$3.55 per Common Share

	<u>Price to the Public⁽¹⁾</u>	<u>Underwriters' Commission</u>	<u>Net Proceeds to the Company⁽²⁾</u>
Per Common Share.....	\$3.55	\$0.1775	\$3.3725
Total Offering ⁽³⁾⁽⁴⁾	\$22,010,000	\$1,100,500	\$20,909,500

Notes:

- (1) The Offering Price has been determined by negotiation between the Company and the Lead Underwriter.
- (2) After deducting the Underwriters' Commission of \$0.1775 (5.0%) for each Common Share offered pursuant to the Offering payable by the Company to the Underwriters but before deducting the expenses of the Offering. The expenses of the Offering are estimated to be approximately \$300,000 and will be paid by the Company out of the proceeds of the Offering. See "*Use of Proceeds*".
- (3) Assumes no exercise of the Over-Allotment Option.
- (4) The Company has agreed to grant to the Underwriters an over-allotment option (the "**Over-Allotment Option**"), exercisable, in whole or in part, at the sole discretion of the Underwriters, at any time and from time to time until 30 days following the closing of the Offering (the "**Closing**"), to purchase up to an additional 930,000 Common Shares (the "**Over-Allotment Shares**"), representing 15% of the aggregate number of Common Shares sold under the Offering. The Over-Allotment Shares will be sold on the same terms as set out above solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total "*Price to the Public*", "*Underwriters' Commission*" and "*Net Proceeds to the Company*" will be \$25,311,500, \$1,265,575 and \$24,045,925, respectively. This short form prospectus qualifies the distribution of the Over-Allotment Shares issuable pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires those securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*" in this short form prospectus.

The following table sets out the number of Common Shares that may be issued to the Underwriters pursuant to the exercise of the Over-Allotment Option.

<u>Underwriters' Position</u>	<u>Maximum Number of Securities Available</u>	<u>Exercise Period</u>	<u>Exercise Price (\$)</u>
Over-Allotment Option.....	930,000 Common Shares	At any time until 30 days following Closing	\$3.55 per Common Share

Unless otherwise indicated or the context otherwise requires, information contained in this short form prospectus assumes that the Over-Allotment Option has not been exercised.

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize, maintain or otherwise affect the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. **The Underwriters may offer the Common Shares at a price lower than that stated above. Any such reduction in price will not affect the proceeds received by the Company. See "*Plan of Distribution*" in this short form prospectus.**

The Underwriters, as principals, conditionally offer the Common Shares offered under this short form prospectus, subject to prior sale, if, as and when sold and delivered by the Company, to, and accepted by, the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" in this short form prospectus and subject to the approval of certain legal matters on behalf of the Company by Burnet, Duckworth & Palmer LLP and on behalf of the Underwriters by McCarthy Tétrault LLP.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. It is expected that Closing will occur on or about March 30, 2022 or such later date as the Company and the Lead Underwriter may agree, but in any event the Common Shares offered under this short form prospectus are to be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the receipt for this short form prospectus.

Except in certain limited circumstances, no certificates representing Common Shares will be issued to purchasers in the Offering. Instead, on the date of Closing, the purchasers of Common Shares will have their securities registered in the name of CDS Clearing and Depository Services Inc. or its nominee ("**CDS**") and electronically deposited with CDS. Purchasers of Common Shares will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Common Shares is acquired.

An investment in the Common Shares is speculative and is subject to a number of risks that should be considered by a prospective investor. The Company's business is subject to certain of the risks normally encountered in the oil and natural gas industry. See "*Risk Factors*" in this short form prospectus and "*Risk Factors*" in the AIF (as defined herein), which is incorporated by reference herein.

Each of BMO Nesbitt Burns Inc. and ATB Capital Markets Inc. is, directly or indirectly, an affiliate of a lender to the Company. Consequently, under applicable Canadian securities laws, and the Company may be considered to be a connected issuer to such Underwriters. See "*Relationships Among the Company and Certain Underwriters*" in this short form prospectus.

In addition to the Offering, the Company intends to issue to certain directors, officers and employees of the Company and Perpetual Energy Inc. ("**Perpetual**") and their respective associates and relatives, on a private placement basis, concurrent with the closing of the Offering, an aggregate of 3,783,820 Common Shares at a price of \$3.55 per Common Share (the "**Concurrent Private Placement**"). This short form prospectus does not qualify the distribution of the Common Shares to be issued pursuant to the Concurrent Private Placement. No commission is payable to the Underwriters in connection with the Concurrent Private Placement. Closing of the Offering is conditional upon the completion of the Concurrent Private Placement before or concurrent with the Closing. However, the Lead Underwriter, on behalf of the Underwriters, has the ability to waive such condition if the Concurrent Private Placement does not close, in which case, the Offering could close without the closing of the Concurrent Private Placement. See "*Recent Developments – Concurrent Private Placement*" and "*Risk Factors*" in this short form prospectus. The aggregate gross proceeds from the Offering (assuming full exercise of the Over-Allotment Option) and the Concurrent Private Placement will be approximately \$38,744,061.

Rubellite is incorporated under the *Business Corporations Act* (Alberta) and the head and registered office of the Company is located at Suite 3200, 605 – 5th Avenue S.W., Calgary, Alberta T2P 3H5.

TABLE OF CONTENTS

	Page
IMPORTANT ADVISORY	1
PRESENTATION OF INFORMATION.....	1
ELIGIBILITY FOR INVESTMENT.....	1
NOTICE TO INVESTORS	2
DOCUMENTS INCORPORATED BY REFERENCE	4
RUBELLITE ENERGY INC.	5
RECENT DEVELOPMENTS	5
DESCRIPTION OF SHARE CAPITAL	5
USE OF PROCEEDS	6
CAPITALIZATION	6
PLAN OF DISTRIBUTION.....	7
RELATIONSHIPS AMONG THE COMPANY AND CERTAIN UNDERWRITERS	10
PRIOR SALES	10
PROMOTER	11
RISK FACTORS	12
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	13
EXPERTS	13
RIGHTS OF WITHDRAWAL AND RESCISSION.....	14
CERTIFICATE OF THE ISSUER	CP-1
CERTIFICATE OF THE PROMOTER	CP-2
CERTIFICATE OF THE UNDERWRITERS.....	CP-3

IMPORTANT ADVISORY

A prospective investor should read this entire prospectus and the documents incorporated by reference and consult the prospective investor's own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the Common Shares.

A prospective investor should rely only on the information contained in or incorporated by reference in this short form prospectus. None of the Company or any of the Underwriters has authorized anyone to provide investors with additional or different information.

None of the Company or any of the Underwriters is offering to sell the Common Shares in any jurisdiction where an offer or sale is not permitted.

Prospective investors are urged to carefully read the information under this heading and under the headings "Presentation of Information", "Notice to Investors" and "Risk Factors" in this short form prospectus and "Risk Factors" in the AIF, which is incorporated by reference herein.

PRESENTATION OF INFORMATION

Words importing the singular include the plural and vice versa and words importing any gender include all genders. A reference to an agreement means the agreement, as it may be amended, supplemented or restated from time to time.

Unless otherwise indicated, all references to "\$" or "dollars" refer to Canadian dollars and all references to "US\$" or "U.S. dollars" refer to United States dollars.

Figures, columns and rows presented in tables provided in this short form prospectus may not add due to rounding.

Unless otherwise indicated or the context otherwise requires, information contained in this short form prospectus assumes that the Over-Allotment Option has not been exercised.

For an explanation of certain terms and abbreviations used in this short form prospectus and not otherwise defined, reference is made to "Abbreviations" in the AIF, which is incorporated by reference herein.

All references in this short form prospectus to management are to the persons who are identified in this short form prospectus as the executive officers of the Company. See "Directors and Officers" in the AIF, which is incorporated by reference herein. All statements in this short form prospectus made by or on behalf of management are made in such persons' capacities as executive officers of the Company and not in their personal capacities.

ELIGIBILITY FOR INVESTMENT

In the opinion of Burnet, Duckworth & Palmer LLP, counsel to the Company, and McCarthy Tétrault LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time (the "**Tax Act**"), and subject to the provisions of any particular plan, the Common Shares will, at the time of Closing and at all relevant times, be qualified investments for purposes of the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), a deferred profit sharing plan, a registered education savings plan ("**RESP**"), a registered disability savings plan ("**RDSP**") and a tax free savings account ("**TFSA**") (each as defined in the Tax Act) provided that at Closing either the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX) or the Company is a "public corporation" as defined in the Tax Act.

Notwithstanding that the Common Shares may be a qualified investment, if a Common Share is a "prohibited investment" for a RRSP, RRIF, RESP, RDSP or TFSA (each a "**Registered Plan**"), the annuitant under the RRSP or RRIF, the subscriber of the RESP, or the holder of the RDSP or TFSA (as applicable) (each a "**Controlling Individual**") may be subject to a penalty tax under the Tax Act. A Common Share will not be a "prohibited investment" in respect of a Registered Plan provided that the Controlling Individual: (i) deals at arm's length with the

Company for purposes of the Tax Act and (ii) does not have a "significant interest" in the Company (within the meaning of the Tax Act). In addition, a Common Share will generally not be a "prohibited investment" for a Registered Plan if the Common Share is an "excluded property" (as defined in the Tax Act) for such Registered Plan. Controlling Individuals should consult with their own tax advisors regarding whether Common Shares would be prohibited investments.

NOTICE TO INVESTORS

Forward-Looking Statements

This short form prospectus and the documents incorporated by reference herein contain forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") that relate to the Company's current expectations, views of future events or the Company's future performance. The forward-looking statements are contained principally under the headings "*Rubellite Energy Inc.*", "*Recent Developments*", "*Use of Proceeds*" and "*Risk Factors*" in this short form prospectus. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "believes", "estimated", "intends", "plans", "forecast", "projection", "strategy", "objective" and "outlook") are not historical facts and may be forward-looking statements and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this short form prospectus or incorporated by reference herein should not be unduly relied upon. In addition, this short form prospectus and the documents incorporated by reference herein may contain forward-looking statements attributed to third-party industry sources. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the information and factors discussed throughout this short form prospectus or in the documents incorporated by reference herein.

In particular and without limitation, this short form prospectus and the documents incorporated by reference herein contain forward-looking statements pertaining to the following: expectations as to future production levels, capital expenditures, free funds flow, and planned drilling programs and the benefits to be derived from such drilling including the production growth and ability for the business plan to be fully funded; expectations respecting Rubellite's future exploration, development and drilling activities; the estimated capital and debt profile of Rubellite; the anticipated focus of Rubellite's business plan; currency, exchange and interest rates; supply and demand for crude oil; treatment under governmental regulatory regimes, environmental legislation and tax laws; the Offering and the Concurrent Private Placement including the size of the Offering and the Concurrent Private Placement, the use of proceeds under the Offering and Concurrent Private Placement, the expected participation of insiders in the Concurrent Private Placement, the anticipated closing date of the Offering and Concurrent Private Placement and the receipt of all regulatory approvals for the Offering and Concurrent Private Placement including the approval of the TSX; the anticipated cost and number of exploratory wells planned to be drilled at Peavine and on the other northern exploratory blocks and the benefits to be derived from such drilling; the anticipated cost and number of delineation and development wells planned to be drilled in the Clearwater formation; plans to pursue additional investments to grow the Company's land base and expand its inventory of prospective drilling locations across the Clearwater play; the amount expected to be drawn by the Company under the Credit Facility (as defined herein) on Closing; and expectations respecting Rubellite's future exploration, development and drilling activities and Rubellite's business plan.

With respect to forward-looking statements contained in this short form prospectus, assumptions have been made regarding, among other things: the ability of Rubellite to complete the Concurrent Private Placement and the Offering; the ability of Rubellite to successfully operate the Clearwater assets; forecast commodity prices and other pricing assumptions; forecast production volumes based on business and market conditions; foreign exchange and interest rates; near-term pricing and continued volatility of the market; accounting estimates and judgments; future use and development of technology and associated expected future results; the ability to obtain regulatory approvals including approvals from the Alberta Energy Regulator; the successful and timely implementation of capital projects; ability to generate sufficient cash flow to meet current and future obligations; Rubellite's ability to operate under the management of Perpetual pursuant to the management and operating services agreement dated July 15, 2021 (the "**MSA**") between Perpetual and the Company; the ability of Rubellite to obtain and retain qualified staff and equipment

in a timely and cost-efficient manner, as applicable; the retention of key properties; forecast inflation and other assumptions inherent in Rubellite's current guidance and estimates; the continuance of existing tax, royalty, and regulatory regimes; the accuracy of the estimates of reserves volumes; ability to access and implement technology necessary to efficiently and effectively operate assets; and the ongoing and future impact of the COVID-19 pandemic and supply chain disruptions, wars and civil unrest on commodity prices and the global economy.

The information in this short form prospectus, including the Company's actual results, could differ materially from those anticipated in the forward-looking statements as a result of the risk factors set forth below and included elsewhere in this short form prospectus: changes in the performance or creditworthiness of counterparties; risks and liabilities associated with the processing and handling of dangerous goods; climate change risks, including the effects of unusual weather and natural catastrophes; regulatory and market compliance and other costs associated with climate change; reputational risks; technology and security risks, including cybersecurity; disruptions in production, including work stoppages or other labour difficulties, or disruptions in the transportation network on which the Company is reliant; technical and processing problems, including the availability of equipment and access to properties; claims made or legal actions brought or realized against the Company or its properties or assets; a failure by the Company to hire or retain key personnel; general economic, market and business conditions; changes in tax or environmental laws or royalty or incentive programs relating to the oil and natural gas industry; and the other factors discussed under "*Risk Factors*" in the AIF, which is incorporated by reference herein.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements made by or on behalf of the Company, investors should not place undue reliance on any such forward-looking statements. Statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive. Further, any forward-looking statement is made only as of the date of this short form prospectus or as at the specific date indicated in the documents incorporated by reference herein, and none of the Company or the Underwriters undertake any obligation to update or revise any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by Canadian securities laws. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors or to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The forward-looking statements contained in this short form prospectus are expressly qualified by the foregoing cautionary statements. See "*Forward-Looking Statements*" in the AIF, which is incorporated by reference herein.

Marketing Materials

The "template versions" of the "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements* ("**NI 41-101**")) utilized by the Underwriters in connection with the Offering which are incorporated by reference into this short form prospectus are not part of this short form prospectus to the extent that the contents of the template versions of the marketing materials have been modified or superseded by a statement contained in this short form prospectus. The Initial Term Sheet has been modified by the Upsize Term Sheet (as such terms are defined herein) to reflect the increase in the number of Common Shares offered and the size of the Offering as set out in the Initial Term Sheet and is superseded by the Upsize Term Sheet, which can be viewed under Rubellite's profile on www.sedar.com. The template versions of any marketing materials filed on SEDAR after the date of this short form prospectus and before the termination of the distribution under the Offering (including any amendments to, or amended versions of, the template versions of any such marketing materials) will be deemed to be incorporated by reference into this short form prospectus.

Non-GAAP and Other Financial Measures

Certain financial terms and measures contained in, or referred to in the documents incorporated by reference into, this short form prospectus are "specified financial measures" (as such term is defined in National Instrument 52-112 – *Non-GAAP and Other Financial Measures Disclosure* ("**NI 52-112**")). The specified financial measures contained in, or referred to in the documents incorporated by reference into, this short form prospectus may be comprised of "non-

GAAP financial measures", "non-GAAP ratios", "capital management measures" and "supplementary financial measures" (as such terms are defined in NI 52-112). These measures are defined, qualified, and where required, reconciled with the nearest GAAP measure in the MD&A (as defined herein) under the heading "*Non-GAAP and Other Financial Measures*" commencing on page 9 of the MD&A, which section, together with the entirety of the MD&A, is incorporated by reference herein.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents of the Company have been filed with the securities commission or similar authority in each of the provinces of Canada and are specifically incorporated by reference into and form an integral part of this short form prospectus:

- (a) the annual information form of the Company dated March 9, 2022 for the year ended December 31, 2021 (the "**AIF**");
- (b) the audited financial statements of the Company as at and for the period ended December 31, 2021, together with the notes thereto and the auditors' report thereon;
- (c) the Company's management's discussion and analysis for the period ended December 31, 2021 (the "**MD&A**");
- (d) the Company's material change report dated and filed on March 15, 2022 relating to the Offering and the Concurrent Private Placement;
- (e) the management information circular of Perpetual dated August 4, 2021 relating to the special meeting of Perpetual's shareholders held on August 31, 2021;
- (f) the section entitled "*Statement of Executive Compensation*" in the management information circular of Perpetual dated March 22, 2022 relating to the annual meeting of Perpetual's shareholders scheduled to be held on May 17, 2022;
- (g) the management information circular of the Company dated March 22, 2022 in relation to the annual meeting of the Company's shareholders scheduled to be held on May 25, 2022; and
- (h) the "template versions" (as such term is defined in NI 41-101) of the term sheet for the Offering dated and filed on March 10, 2022 (the "**Initial Term Sheet**") and the term sheet for the Offering dated and filed on March 10, 2022 (the "**Upsize Term Sheet**").

Any documents of the type described in Section 11.1(1) of Form 44-101 – *Short Form Prospectus*, if filed by the Company with the securities commissions or similar authorities in the provinces of Canada after the date of this short form prospectus and before the termination of this distribution, are deemed to be incorporated by reference in this short form prospectus.

Any statement contained in this short form prospectus, or in a document (or part thereof) incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document (or part thereof) which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

RUBELLITE ENERGY INC.

Rubellite is a Canadian energy company engaged in the exploration, development and production of conventional heavy crude oil from the Clearwater formation in Eastern Alberta, utilizing multi-lateral horizontal drilling technology. Rubellite has a pure play Clearwater asset base and is pursuing a robust growth plan focused on superior corporate returns while maintaining a conservative capital structure and prioritizing ESG excellence. Additional information on Rubellite's business, including its business strategy and objectives, is contained in the AIF under the heading "*Description of the Business*", which is incorporated by reference herein.

RECENT DEVELOPMENTS

Strategic Land Acquisitions

In the first quarter of 2022, Rubellite has invested approximately \$10.8 million to acquire crown land prospective for the Clearwater formation. In addition, Rubellite signed a letter of intent to pursue a farm-in and option agreement in the Peavine area, in the vicinity of recent industry Clearwater drilling and southwest of Rubellite's existing option acreage at West Dawson in northern Alberta. The Company has plans to drill four to six (3.0 to 4.0 net) exploratory wells at Peavine and on its other northern exploratory blocks to earn acreage and delineate area type curves. In addition, Rubellite plans to continue to grow its Clearwater land base and expand its inventory of prospective drilling locations through strategic transactions and land purchases.

Concurrent Private Placement

In addition to the Offering, the Company intends to issue to certain of its and Perpetual's directors, officers and employees and their respective associates and relatives, on a private placement basis, concurrent with the closing of the Offering, an aggregate of 3,783,820 Common Shares at a price of \$3.55 per Common Share for gross proceeds to the Company of \$13,432,561. This short form prospectus does not qualify the distribution of the Common Shares to be issued pursuant to the Concurrent Private Placement. No commission is payable to the Underwriters in connection with the Concurrent Private Placement. Subject to obtaining approval of the TSX, the closing of the Concurrent Private Placement is expected to occur concurrently with the closing of the Offering. Closing of the Offering is conditional upon the completion of the Concurrent Private Placement before or concurrent with the Closing. However, the Lead Underwriter, on behalf of the Underwriters, has the ability to waive such condition if the Concurrent Private Placement does not close, in which case, the Offering could close without the closing of the Concurrent Private Placement. See "*Risk Factors*" in this short form prospectus. The aggregate gross proceeds from the Offering (assuming full exercise of the Over-Allotment Option) and the Concurrent Private Placement will be approximately \$38,744,061.

Potential Acquisitions and Financings

Rubellite continues to evaluate potential acquisitions of assets and/or companies as part of its ongoing acquisition program. Rubellite is regularly in the process of evaluating several potential acquisitions at any one time, which individually or together could be material. As of the date hereof, Rubellite has not reached agreement on the price or terms of any potential material acquisition other than as disclosed herein. Rubellite cannot predict whether any current or future opportunities will result in one or more acquisitions for Rubellite. In addition to the Offering and the Concurrent Private Placement, Rubellite may, in the future, complete financings of equity or debt (which may be convertible into equity) for purposes that may include financing of acquisitions, Rubellite's operations and capital expenditures and repayment of indebtedness.

DESCRIPTION OF SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As of March 22, 2022, 43,808,616 Common Shares and no preferred shares were issued and outstanding. A description of the Common Shares is contained in the AIF under the heading "*Description of Capital Structure*", which is incorporated by reference herein.

USE OF PROCEEDS

Rubellite expects to receive \$20,609,500 in net proceeds from the Offering, after deducting the Underwriters' Commission payable by the Company to the Underwriters in connection with the Offering of \$1,100,500 and the estimated expenses of the Offering of approximately \$300,000. If the Over-Allotment Option is exercised in full, the net proceeds to the Company from the Offering will be \$23,745,925, after deducting the Underwriters' Commission payable by the Company to the Underwriters of \$1,265,575 and the estimated expenses of the Offering of approximately \$300,000. Rubellite intends to use the net proceeds from the Offering to initially reduce amounts drawn on its first lien revolving credit facility with a syndicate of lenders (the "**Credit Facility**") (which is currently drawn at \$5.0 million) and subsequently to fund the Company's ongoing capital expenditures and for general corporate purposes. The Company's primary anticipated ongoing capital expenditures relate to spending an aggregate of \$32 to \$40 million for exploratory, delineation and development drilling which are expected to be comprised of the following: (i) \$8 to \$12 million for the drilling of four to six (3.0 to 4.0 net) exploratory wells prior to April 1, 2023 at Peavine and on its other northern exploratory blocks to earn acreage and delineate area type curves; and (ii) \$24 to \$28 million for the drilling of 22 (20.5 net) additional delineation and development wells in the Clearwater formation in the second quarter through the fourth quarter of 2022. In addition, Rubellite will continue to pursue undeveloped land purchases and acquisitions to grow its land base and inventory of prospective Clearwater drilling locations. All of the wells anticipated to be drilled will be targeting heavy crude oil in the Clearwater formation.

The Company's current indebtedness under the Credit Facility was incurred in the normal course of business and operations and in connection with land acquired on March 9, 2022. See "*Recent Developments*" and "*Plan of Distribution*" in this short form prospectus.

The use of the net proceeds of the Offering by the Company is consistent with the accomplishment of Rubellite's stated business objectives as described under the heading "*Rubellite Energy Inc.*" There is no one particular significant event or milestone that must occur for the Company's business objectives to be accomplished. While the Company believes that it has the skills and resources necessary to accomplish its stated business objectives, participation in the exploration for and development of heavy crude oil has a number of inherent risks. See "*Risk Factors*" in this short form prospectus.

CAPITALIZATION

The following table sets out the capitalization of the Company as at December 31, 2021 and the pro forma capitalization of the Company as at December 31, 2021 after giving effect to the Offering, the Concurrent Private Placement and the exercise in full of the Over-Allotment Option. Other than as described below, there has not been any material change in the share and loan capital of the Company, on a consolidated basis, since December 31, 2021. This table should be read in conjunction with the Financial Statements which are incorporated by reference herein.

Other than an increase in the amount of debt drawn under the Credit Facility from \$nil as of December 31, 2021 to \$5.0 million as of March 22, 2022, which debt was primarily in connection with expenditures for the ongoing drilling program and the land acquisitions completed during the first quarter of 2022 as described under the heading "*Recent Developments – Strategic Land Acquisition*" in this short form prospectus, there has not been any material change in the share and loan capital of the Company, on a consolidated basis, since December 31, 2021.

Designation	Authorized	As at December 31, 2021 (\$)	As at December 31, 2021 after giving effect to the Offering and the Concurrent Private Placement (\$)	As at December 31, 2021 after giving effect to the Offering, the Concurrent Private Placement and the exercise in full of the Over-Allotment Option (\$)
Debt ⁽¹⁾	See Note (1)	nil	nil	nil

Share capital	Unlimited	85,474,000 ⁽²⁾⁽³⁾ (43,808,616 Common Shares)	119,516,061 ⁽²⁾⁽⁴⁾ (53,792,436 Common Shares)	122,652,486 ⁽²⁾⁽⁴⁾ (54,772,436 Common Shares)
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Notes:

- (1) Management anticipates that no additional amounts will be drawn under the Credit Facility immediately after giving effect to the Offering. The borrowing base under the Credit Facility is \$25 million. A description of the Credit Facility is set forth in Note 11 to the Financial Statements, which is incorporated by reference herein. Also see "Notice to Investors — About this Prospectus" and "Prior Sales" in this short form prospectus.
- (2) In addition, the Company has granted Share Options and Share Units (as such terms are defined herein) to its executive officers, employees and directors under its omnibus equity compensation incentive plan.
- (3) As at March 22, 2022, the Company has 43,808,616 Common Shares outstanding.
- (4) The amounts include the estimated net proceeds of the Offering after deducting the estimated expenses of the Offering and before and after giving effect to the Concurrent Private Placement and exercise in full of the Over-Allotment Option. Share issue costs have not been tax effected.

PLAN OF DISTRIBUTION

The Offering consists of 6,200,000 Common Shares. See "*Description of Share Capital*" in this short form prospectus for a description of the attributes of the Common Shares.

Under an agreement dated effective March 10, 2022, between the Company and the Underwriters (the "**Underwriting Agreement**"), the Company has agreed to sell and the Underwriters have severally agreed to purchase on March 30, 2022 or such later date as the Company and the Lead Underwriter may agree, but in any event no later than the date that is 42 days after the date of the receipt for this short form prospectus, an aggregate of 6,200,000 Common Shares, at a price of \$3.55 per Common Share, payable in cash to the Company against delivery of the Common Shares, for aggregate gross proceeds of \$22,010,000 to the Company. In consideration for their services in connection with the Offering, the Company has agreed to pay to the Underwriters on closing the Underwriters' Commission equal to \$0.1775 (being 5.0% of the Offering Price) per Common Share sold pursuant to the Offering, including any Common Shares sold pursuant to the Over-Allotment Option. It is estimated that the total expenses of the Offering, not including the Underwriters' Commission, will be approximately \$300,000. All such expenses of the Offering will be paid by the Company. The Underwriters may form a selling group including other qualified investment dealers and determine the Underwriters' Commission payable to the members of such group, which Underwriters' Commission will be paid by the Underwriters out of the Underwriters' Commission. Closing of the Offering is conditional upon the completion of the Concurrent Private Placement before or concurrent with the Closing. However, the Lead Underwriter, on behalf of the Underwriters, has the ability to waive such condition if the Concurrent Private Placement does not close, in which case, the Offering could close without the closing of the Concurrent Private Placement. See "*Recent Developments – Concurrent Private Placement*" and "*Risk Factors*" in this short form prospectus.

The Offering Price has been determined by negotiation between the Company and the Lead Underwriter.

The Underwriters propose to offer the Common Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Common Shares at the Offering Price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page. In the event that the Offering Price is reduced, the compensation received by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Common Shares is less than the gross proceeds paid by the Underwriters to the Company for such Common Shares. Any such reduction in price will not affect the proceeds received by the Company.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint, nor joint and several, and may be terminated at their discretion on the basis of the occurrence of certain stated events, including but not limited to: (i) there having occurred, announced or discovered by the Underwriters, any material change, any change in a material fact or new material fact or undisclosed material fact which, in the opinion of the Underwriters, acting reasonably, would be expected to have a significant adverse effect on the market price or value of the Common Shares or could reasonably be expected to result in the purchasers of a material number of Common Shares offered under the

Offering, exercising their rights under applicable securities laws to withdraw from or rescind their purchase thereof or sue for damages in respect thereof; (ii) (A) there develops, occurs or comes into effect or existence, any event, action, state, condition or major financial occurrence of national or international consequence which, in the opinion of the Underwriters or any one of them, acting reasonably, seriously adversely affects or involves, or may seriously adversely affect or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Company, (B) there shall have occurred any outbreak or escalation of hostilities, declaration by Canada or the United States of a national emergency or war, or other calamity or crisis (including without limitation matters caused by, related to or resulting from the COVID-19 to pandemic the extent that there are material adverse developments related thereto after the date hereof), which, in the opinion of the Underwriter, acting reasonably, seriously adversely affects, or involves, or may seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Company, or (C) there should develop, occur or come into effect or existence any governmental action, law, regulation, inquiry or other similar occurrence which, in the opinion of the Underwriters, acting reasonably, seriously adversely affects, or involves, or may seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Company; or (iii) the Underwriters become aware of any material information with respect to the Company which had not been publicly disclosed or disclosed in writing to the Underwriters at or prior to the date of the Underwriting Agreement and which in the sole opinion of the Underwriters, or any one of them, acting reasonably, could be expected to have a material adverse effect on the market price or value of the Common Shares or the Common Shares or the marketability of the Common Shares.

If an Underwriter fails to purchase the Common Shares which it has agreed to purchase, the remaining Underwriter(s) may terminate their obligation to purchase their allotment of Common Shares, or may, but are not obligated to, purchase the Common Shares not purchased by the Underwriter or Underwriters which fail to purchase. The Underwriters are, however, obligated to take up and pay for all of the Common Shares if any of the Common Shares are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that the Company will indemnify the Underwriters, their respective affiliates and each of their respective directors, officers, employees, partners, agents and each other person, if any, controlling an Underwriter or any of its subsidiaries and each shareholder of the Underwriter against certain liabilities, claims, actions, complaints, losses, costs, fines, penalties, taxes, interest, damages and expenses.

The Common Shares offered under this short form prospectus will be offered in each of the provinces of Canada other than Quebec through those Underwriters or their affiliates who are registered to offer such Common Shares for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law and the provisions of the Underwriting Agreement, the Underwriters may offer such Common Shares outside of Canada.

The TSX has conditionally approved the listing of the Common Shares, including the Common Shares issuable on exercise of the Over-Allotment Option, distributed under this short form prospectus. Listing is subject to the Company fulfilling all of the listing requirements of the TSX on or before June 20, 2022.

The Common Shares offered under this short form prospectus have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws, and may not be offered or sold within the United States absent registration or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, except to the extent permitted by the Underwriting Agreement and except for offers and sales made pursuant to an available exemption from the registration requirements of the U.S. Securities Act, the Common Shares to be sold pursuant to the Offering may not be offered or sold within the United States. Each Underwriter has agreed that it will not offer or sell Common Shares within the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriting Agreement provides that the Underwriters may re-offer and re-sell the Common Shares that they have acquired pursuant to the Underwriting Agreement in the United States to qualified institutional buyers ("**Qualified Institutional Buyers**") in accordance with Rule 144A under the U.S. Securities Act. The Underwriting Agreement also provides that the Underwriters will offer and sell the Common Shares outside the United States in accordance with Rule 903 of Regulation S under the U.S. Securities Act. In addition, until 40 days after the Closing, an offer or sale of the Common Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, unless such offer is made pursuant to an exemption from registration under the U.S. Securities Act.

The sale of a substantial amount of the Common Shares in the public market after the Offering, or the perception that such sales may occur, could adversely affect the prevailing market price of the Common Shares. See "*Risk Factors*" in this short form prospectus. Furthermore, because the Company has agreed that it will not offer or sell any equity securities of the Company (or other securities convertible into, or exchangeable or exercisable for, equity securities of the Company) for a period after Closing due to the restrictions on resale described under "*—Standstill*" below, the sale of a substantial amount of Common Shares in the public market after these restrictions lapse could adversely affect the prevailing market price of the Common Shares.

Subscriptions for Common Shares offered under this short form prospectus will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. It is expected that Closing will occur on or about March 30, 2022 or such later date as the Company and the Lead Underwriter may agree, but in any event the Common Shares offered under this short form prospectus are to be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the receipt for this short form prospectus. Except in certain limited circumstances, no certificates representing Common Shares will be issued to purchasers in the Offering. Instead, on the date of Closing, the purchasers of Common Shares will have their securities registered in the name of CDS and electronically deposited with CDS. Purchasers of Common Shares will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Common Shares is acquired.

Over-Allotment Option

The Company has granted to the Underwriters the Over-Allotment Option, exercisable at the Underwriters' sole discretion at any time, in whole or in part, from time to time, until the date that is 30 days after Closing, to purchase, at the Offering Price, up to an additional 930,000 Common Shares (representing 15% of the Common Shares offered under the Offering) to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the net proceeds to the Company from the Offering will be \$23,745,925, after deducting the Underwriters' Commission payable by the Company to the Underwriters of \$1,265,575 and the estimated expenses of the Offering of approximately \$300,000. This short form prospectus also qualifies the distribution of the Common Shares issuable pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires those Common Shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize or otherwise affect the market price of the Common Shares at levels other than those which otherwise might prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; imposition of penalty bids; and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Common Shares while the Offering is in progress. These transactions may also include making short sales of the Common Shares, which involve the sale by the Underwriters of a greater number of Common Shares than they are required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Common Shares in the open market or as otherwise permitted by applicable law. In making this determination, the Underwriters will consider, among other things, the price of Common Shares available for purchase in the open market compared with the price at which they may purchase Common Shares through the Over-Allotment Option. The Underwriters must close out any naked short position by purchasing Common Shares in the open market or as otherwise permitted by applicable law. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Common Shares in the open market that could adversely affect investors who purchase in the Offering.

In addition, in accordance with rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period of distribution, bid for or purchase Common Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSX, including the Universal Market Integrity Rules for Canadian Marketplaces, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Common Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or as otherwise permitted by applicable law.

Standstill

The Company has agreed that, for a period of 90 days following the Closing and subject to certain exceptions, it will not offer or issue or enter into an agreement or make any announcement to offer or issue Common Shares or any securities convertible or exchangeable into Common Shares without the prior written consent of the Lead Underwriter, which consent shall not to be unreasonably withheld or delayed, other than the issuance of Common Shares pursuant to the Concurrent Private Placement, the granting of securities under the Company's existing security-based compensation arrangements, Common Shares issued upon exercise of securities granted under such security-based compensation arrangements, or any proposed issuance of Common Shares in connection with any non-binding offer regarding any corporate or asset acquisition that may be undertaken by the Company.

RELATIONSHIPS AMONG THE COMPANY AND CERTAIN UNDERWRITERS

Each of BMO Nesbitt Burns Inc. and ATB Capital Markets Inc. is, directly or indirectly, an affiliate of a lender to the Company (collectively, the "**Lenders**") pursuant to the Credit Facility. Consequently, under applicable Canadian securities laws, the Company may be considered a "connected issuer" to such Underwriters.

As at March 22, 2022, \$5.0 million was drawn on the Credit Facility. The Company is in compliance with all material terms of the agreements governing the Credit Facility and has not been in default or otherwise in breach of such agreements since its relevant execution date. See "*Capitalization*" in this short form prospectus.

The decision to sell the Common Shares pursuant to the Offering was made by the Company and the determination of the terms of the Offering, including the Offering Price, has been determined by negotiation between the Company and the Lead Underwriter. The Lenders did not have any involvement in such decision or determination; however, the Lenders have been advised of the Offering and the terms thereof. As a consequence of the Offering, each of the Underwriters will receive their respective share of the Underwriters' commission payable by the Company to the Underwriters. In addition, each of the Lenders, together with the lenders comprising the syndicate of lenders, under the Credit Facility may receive a portion of the Rubellite's proceeds from the Offering as a repayment of the outstanding indebtedness under the Credit Facility. See "*Use of Proceeds*" in this short form prospectus.

PRIOR SALES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the trading symbol "RBY". The following table sets forth the closing price range and the aggregate volume of trading of the Common Shares, as reported by the TSX, for the periods indicated since the Common Shares became listed and posted for trading on the TSX on September 9, 2021.

Common Shares

2021	Price Range		Volume
	High (\$)	Low (\$)	
September (9 to 30)	4.23	2.15	1,931,597
October	2.83	2.15	3,691,193
November	2.73	2.21	915,112
December	2.44	2.10	633,451

2022	Price Range		Volume
	High (\$)	Low (\$)	
January	3.00	2.23	3,887,319
February	3.30	2.78	3,886,540
March (1 to 22)	3.85	3.21	3,972,642

Prior Sales

Other than (i) the issuances of the Common Shares, subscription receipts of Rubellite and Arrangement Warrants (as defined in the AIF) described under the heading "*General Development of the Business*" in the AIF, which is incorporated by reference herein; and (ii) the warrants ("**Rubellite Share Purchase Warrants**"), options ("**Share Options**") and units ("**Share Units**") to acquire Common Shares, there is no class of securities of Rubellite that is outstanding and not listed or quoted on a marketplace.

4,000,000 Rubellite Share Purchase Warrants were issued on July 15, 2021 to Perpetual. The Rubellite Share Purchase Warrants are exercisable into 4,000,000 Common Shares at a price of \$3.00 per share for a period of five years.

Set forth below are the issue dates, number issued and exercise prices at which Share Options and Share Units were issued during the period from incorporation to the date of this short form prospectus.

Share Options Granted

Month of Issuance	Number of Share Options	Exercise Price of Share Options
September 9, 2021	743,500	\$2.00
October 12, 2021	12,500	\$2.64
October 18, 2021	12,500	\$2.54

Share Units Granted

Month of Issuance	Number of Share Units	Exercise Price of Share Units
September 9, 2021	380,000	N/A
October 12, 2021	8,000	N/A
October 18, 2021	8,000	N/A

PROMOTER

Perpetual may be considered a promoter of the Company within the meaning of Canadian Securities Laws. To the knowledge of the Company, as of the date of this short form prospectus, Perpetual does not beneficially own, control or direct, directly or indirectly, any Common Shares. Perpetual provides management services to the Company pursuant to the MSA and beneficially owns, controls or directs, directly or indirectly, 4,000,000 Rubellite Share Purchase Warrants. See "*Material Contracts – MSA*" in the AIF, which is incorporated by reference herein.

On July 15, 2021, Rubellite acquired all of Perpetual's Clearwater lands, wells, roads and related facilities in northeast Alberta (the "**Clearwater Assets**") for aggregate consideration of \$65.5 million. The consideration consisted of: (i) promissory notes totaling \$59.4 million, which were paid in cash on October 5, 2021; (ii) the issuance of 680,485 Common Shares valued at \$1.4 million; (iii) the return and exchange of 8.2 million Perpetual common shares pursuant to the plan of arrangement completed on September 3, 2021 involving Perpetual, the shareholders of Perpetual and Rubellite and valued at \$2.8 million; and (iv) the issuance to Perpetual of the Rubellite Share Purchase Warrants. At the time of the acquisition, a special committee of independent directors of Perpetual determined that the consideration paid by Rubellite and received by Perpetual was within the reasonable potential valuation range of the Clearwater Assets.

RISK FACTORS

Overview

Investing in the Common Shares involves risks. A prospective investor should carefully consider the following risk factors together with all of the other information included or incorporated by reference in this short form prospectus in evaluating an investment in the Common Shares. Additional risks not presently known to Rubellite or that Rubellite currently deems immaterial could also materially affect the Company's business. The risks set out below and in the documents incorporated herein by reference are not an exhaustive description of all the risks associated with the Company's business and the oil and natural gas business generally. This short form prospectus includes forward-looking statements regarding, among other things, the Company's plans, strategies, prospects and projections, both business and financial. A prospective investor should not place undue reliance on any such statements included in this short form prospectus or any other offering materials. See "*Notice to Investors – Forward-Looking Statements*" in this short form prospectus.

Investors should carefully review and consider all other information contained in this short form prospectus and in the documents incorporated by reference herein before making an investment decision and consult their own professional advisors where necessary.

Forward-Looking Statements and Financial Outlooks May Prove to be Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements or financial outlooks. By their nature, forward-looking statements and financial outlooks involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements and/or financial outlooks or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties can be found in this short form prospectus under the heading "*Notice to Investors - Forward-Looking Statements*" in this short form prospectus.

Rubellite May Use the Proceeds of the Offering for Purposes Other Than Those Set Out in this Short Form Prospectus

Rubellite currently intends to allocate the net proceeds received from the Offering as described under the heading "*Use of Proceeds*" in this short form prospectus. However, management will have discretion in the actual application of the proceeds, and may elect to allocate proceeds differently from that described under the heading "*Use of Proceeds*" in this short form prospectus if it believes that it would be in the best interests of Rubellite to do so if circumstances change. The failure by management to apply these funds effectively could have a material adverse effect on the business of Rubellite.

The Company may not complete the Offering

Although the Company has entered into the Underwriting Agreement with the Underwriters, there is no guarantee that all of the conditions to the completion of the Offering will be satisfied, in which case the Company would have high amounts drawn under the Credit Facilities.

It is possible that the Concurrent Private Placement will fail to close

There is no guarantee that the conditions to the completion of the Concurrent Private Placement will be satisfied. Although the Closing is conditional upon the closing of the Concurrent Private Placement, it is possible that the Offering could close without the Concurrent Private Placement also closing, to the extent that the Lead Underwriter, on behalf of the Underwriters, waives such condition. In those circumstances, the Company will not have access to the aggregate gross proceeds from the Concurrent Private Placement but would only have access to the net proceeds from the Offering. Such a lack of financing may adversely affect the Company's business, financial condition, results of operations and the market price of the Company's securities.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are KPMG LLP, Chartered Professional Accountants, Suite 3100, 205 5th Avenue SW, Calgary, Alberta T2P 4B9.

The transfer agent and registrar for the Common Shares is Odyssey Trust Company, at its principal offices in Calgary, Alberta and Toronto, Ontario where transfers of securities may be recorded.

EXPERTS

Certain legal matters relating to the Offering under Canadian law will be passed upon by Burnet, Duckworth & Palmer LLP on behalf of the Company and by McCarthy Tétrault LLP on behalf of the Underwriters. Certain legal matters relating to the Offering under U.S. law will be passed upon by Dorsey & Whitney LLP.

The only persons or companies who are named as having prepared or certified a report, valuation, statement or opinion in this short form prospectus and whose profession or business gives authority to such report, valuation, statement or opinion, are:

- (a) Burnet, Duckworth & Palmer LLP, McCarthy Tétrault LLP and Felesky Flynn LLP;
- (b) KPMG LLP, Rubellite's independent auditors;
- (c) McDaniel & Associates Consultants Ltd., Rubellite's independent reserve evaluator; and
- (d) Seaton-Jordan & Associates Ltd., Rubellite's independent undeveloped land evaluator.

As at the date hereof, the partners and associates of each of Burnet, Duckworth & Palmer LLP, McCarthy Tétrault LLP and Felesky Flynn LLP, as respective groups, beneficially own, directly or indirectly, less than 1% of the outstanding securities of any associate or affiliate of the Company.

No person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named in this short form prospectus as having prepared or certified a part of this short form prospectus, or a report, valuation, statement or opinion described in this short form prospectus, has received or shall receive a direct or indirect interest in any securities or other property of the Company or any associate or affiliate of the Company.

As at the date hereof, the principals of McDaniel & Associates Consultants Ltd., independent qualified reserves evaluator to the Company, do not beneficially own, directly or indirectly, any of the outstanding Common Shares.

As at the date hereof, the principals of Seaton-Jordan & Associates Ltd., independent undeveloped land evaluator to the Company, do not beneficially own, directly or indirectly, any of the outstanding Common Shares.

KPMG LLP are the auditors of the Company and have confirmed with respect to the Company that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission, or, in some jurisdictions, revisions of the price or damages, if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

CERTIFICATE OF THE ISSUER

Dated: March 23, 2022

This short form prospectus, together with the documents incorporated by reference, constitutes, full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required under the securities legislation of each of the provinces of Canada other than Quebec.

(Signed) "*Susan L. Riddell Rose*"
President and Chief Executive Officer

(Signed) "*Ryan A. Shay*"
Vice President, Finance and Chief Financial Officer

On behalf of the Board of Directors
of Rubellite Energy Inc.

(Signed) "*Holly Benson*"
Director

(Signed) "*Bruce Shultz*"
Director

CERTIFICATE OF THE PROMOTER

Dated: March 23, 2022

This short form prospectus, together with the documents incorporated by reference, constitutes, full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required under the securities legislation of each of the provinces of Canada other than Quebec.

PERPETUAL ENERGY INC.

(Signed) "*Susan L. Riddell Rose*"

Chairman, President and Chief Executive Officer

CERTIFICATE OF THE UNDERWRITERS

Dated: March 23, 2022

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required under the securities legislation of each of the provinces of Canada other than Quebec.

PETERS & CO. LIMITED

(Signed) "*Christopher Potter*"

BMO NESBITT BURNS INC.

(Signed) "*Greg Stadnyk*"

ATB CAPITAL MARKETS INC.

(Signed) "*Brian Heald*"

STIFEL NICOLAUS CANADA INC.

(Signed) "*Nicholas J. Johnson*"

CORMARK SECURITIES INC.

(Signed) "*Erik Pederson*"

RAYMOND JAMES LTD.

(Signed) "*Dion Degrand*"