

Blacksteel Energy Inc. Announces Management Changes and Update to Drakkar Transaction

Calgary, Alberta--(Newsfile Corp. - November 2, 2022) - Blacksteel Energy Inc. ("**Blacksteel**" or the "**Corporation**") is pleased to announce the following changes to strengthen the management team of Blacksteel:

Duncan Nightingale has been appointed as President and Chief Executive Officer in addition to his current position as a director of Blacksteel. Jeff Callaway has resigned as President and Chief Executive Officer of Blacksteel and been appointed Executive Vice-President and Chief Financial Officer. Derek Batorowski has resigned as Chief Financial Officer and assumed the role of controller of Blacksteel.

Duncan Nightingale commented, "I am pleased to take on this position as I believe in the business plan, we are executing at Blacksteel and see a bright future in store. As we are working through the Drakkar transaction and progressing our international initiatives, I believe my strong international background in operations, growth and efficiency can create strong shareholder value."

Jeff Callaway commented, "I am pleased that Duncan Nightingale has agreed to take on this role which will allow me to focus on the capitalization of Blacksteel to support our various initiatives. My goal has been to reposition the company to a point where we have the right team and assets in place to grow the company and reward shareholders. I believe now is the optimal time for this transition and am excited about our future."

As Blacksteel has been advancing the Drakkar Energy Ltd. ("**Drakkar**") acquisition and preparing the work program to grow the Girouxville asset, Blacksteel and Drakkar have mutually agreed to a revision of the original terms of the transaction. The cash portion of the transaction will remain the same but the shares to be issued by Blacksteel will now total 10 million shares instead of the 26.77 million shares previously announced. All other terms remain the same. This revised plan has resulted in an approximate one-month delay versus previous guidance. The reduction in share issuance is related to additional investment Blacksteel will be required to undertake on the Girouxville property to ensure a sustainable growth profile.

Drakkar is a privately held producer in Alberta whose sole producing asset is a 70% working interest in the jointly held Girouxville asset with Blacksteel.

Duncan Nightingale, Blacksteel's Chief Executive Officer, commented, "The acquisition of Drakkar is a significant milestone for Blacksteel as it consolidates ownership to 100% of the Girouxville Montney light oil producing asset. With over 30 locations identified and anticipated paybacks on new wells within a year, Blacksteel will be able to more efficiently operate and grow the production base leading to increased cash flow. Wells on the asset base are top decile production performers in the region. The terms of the transaction are very accretive to Blacksteel shareholders with 2P NPV 10% before tax reserves estimated independently by the reserves auditor at \$26 million. The work program is expected to add additional locations to Blacksteel's reserve estimates as only seven wells are currently booked in reserves."

"As Blacksteel progresses towards closing the second tranche of the financing we look forward to implementing a work program to grow production followed by a listing on a Canadian stock exchange. Furthermore, this asset base will support our international growth plans which are designed to provide the next leg of growth for the company."

Proforma Highlights:

- 30 development locations but only 7 booked locations currently booked in reserves
- \$26 million 2P NPV 10 BT value of reserves

- 2.23 million barrel of oil equivalent of gross reserves
- The current LMR is 1.63 but with the work program executed and should increase to approximately 3.0 and continue to rise as more wells are drilled
- 7,710 acres of land
- \$25.4 million in tax pools

Blacksteel Energy Inc.

Blacksteel is a junior oil and gas company involved in the exploration, development and production of petroleum and natural gas resources.

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Forward-Looking Statements:

This news release contains "forward-looking statements" that are based on expectations, estimates, projections and interpretations as at the date of this news release. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "seek", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur, and include, without limitation, statements regarding: the terms and conditions of the Drakkar transaction; future development plans; the business and operations of the resulting issuer after completion of the Drakkar transaction; listing on a Canadian stock exchange; timing for additional paybacks on new wells; more efficient operations and increasing cash flow; the addition of locations to the Corporation's reserve estimates; completion of additional rounds of financing; increase in LMR; and international growth plans. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and maybe "forward-looking statements." Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation: risks related to failure to obtain adequate financing on a timely basis and on acceptable terms; risks related to the outcome of legal proceedings; political and regulatory risks associated with oil and gas exploration; risks related to the listing and maintenance of stock exchange listings; risks related to environmental regulation and liability; the potential for delays in exploration or development activities or the completion of feasibility studies; the uncertainty of profitability; risks and uncertainties relating to the interpretation of drilling results; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; the possibility that future exploration and development results will not be consistent with the Corporation's expectations; risks related to commodity price fluctuations; and other risks and uncertainties related to the Corporation's prospects, properties and business detailed elsewhere in the Corporation's disclosure record. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are made as of the date hereof and the Corporation does not assume any obligation to update or revise them to reflect new events or circumstances except in accordance with applicable securities laws. Actual events or results could differ materially from the Corporation's expectations or projections.

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