



Blacksteel Energy

Blacksteel Energy Inc. Grows 2P Reserves by 396% Year over Year and Closes Additional Financing Tranche

Calgary, Alberta – June 28, 2023 - Blacksteel Energy Inc. ("**Blacksteel**" or the "**Corporation**") is pleased to announce that it has completed the annual Reserve Assessment and Evaluation and an additional closing ("**Closing**") of its private placement financing (the "**Offering**").

Reserve Report

Blacksteel engaged GLJ Ltd. to complete the annual reserve assessment and evaluation and is announcing the results in line with the corporate year end of April 30, 2023.

	PDP	Proved	Proved + Probable
April 30, 2022 Year end Reserves (mboe)	0	327	669
April 30, 2023 Year end Reserves (mboe)	343	1794	3317
Year over Year increase (%)		449%	396%

	PDP	Proved	Proved + Probable
2022 BT NPV10 Reserve Value (\$m)	-\$ 24	\$ 4,449	\$ 7,860
2023 BT NPV10 Reserve Value (\$m)	\$ 4,917	\$ 21,855	\$ 39,841
Year over Year Increase (%)		391%	407%

On a per share basis the proved + probable reserves are \$0.39/share and proved reserves are \$0.21/share on a 10% discounted NPV basis before tax. Blacksteel has \$26 million in tax pools that enhance the economics of the project.

Reserves on a per share basis grew by approximately 180% year over year reflecting the value created by the Blacksteel team offset to a lesser degree by financing activity and acquisitions over the past year.

Other highlights from the report:

If the well development plan occurs in line with the reserve report, peak production is anticipated to be 1067 boe/d in 2025 and average 984 boe/d and \$13.5 million in annual operating income for the 5 years of 2024-2028.

The 2P Reserve Life Index is 23.7 years

The recycle ratio is 3.4x.

The estimated operating income netback of \$38.24/boe compares against 2P finding and development costs of \$11.39/boe.

With \$8 million of capital, Blacksteel can fund from cash flow the entire development drilling program of 18 wells over the 5 year period based on the assumptions within the GLJ report.

Additional Closing of Financing

Blacksteel has completed an additional closing of its Offering for gross proceeds of \$426,386.88. Pursuant to the Closing, Blacksteel issued 5,329,836 common shares (“**Common Shares**”) at a price of \$0.08 per share. An arm’s length finder received cash commission of \$37,800 and 420,000 finder warrants. 400,000 finder warrants entitle the holder to acquire one Common Share at an exercise price of \$0.08 on or before June 2, 2024 and 20,000 finder warrants exercisable at \$0.08 expire on April 27, 2024. After the Closing, Blacksteel has 102,687,625 Common Shares issued and outstanding.

Duncan Nightingale, Blacksteel's CEO, commented, "Blacksteel has achieved significant milestones over the past few months. The reserve report is starting to reflect our focus as we have grown the PDP, Proven, and 2P Reserve categories significantly over the past year not just in volumes but on a per share basis. We have booked more locations, brought wells into production, enhanced facilities, reduced costs and stabilized operations all of which have added to the values in the reserve report.

As Blacksteel further develops the asset base we should see further growth in Proven and Probable volume categories next year as a result of operations and production history. We remain focused on oil weighted growth given the global supply and demand situation.”

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 Information Cautionary Statement: This document contains forward-looking statements regarding the business and operations of Blacksteel. All statements other than statements of historical fact contained herein are forward-looking statements under applicable securities laws. In particular, statements as to the Corporation's anticipated transactions are forward-looking statements. These forward-looking statements are based upon various assumptions. 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 development of the Girouxville property; future development plans; estimated peak production, average production figures between 2024-2028; operating

income netbacks; future finding and development costs; funding capital expenditures from cash flow; and capital required for development drilling program. The Corporation's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the plans, intentions or expectations anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefit the Corporation will derive there from. 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. All subsequent forward-looking statements, whether written or oral, attributable to the Corporation or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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