



Blacksteel Energy

Blacksteel Energy Inc. Announces Closing of Additional Tranche of its Private Placement, Change of Auditors and Application for a Management Cease Trade Order

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

Change of Auditors:

Blacksteel has made the decision to engage Kenway Mack Slusarchuk Stewart LLP for audit services including for the year end of April 30, 2023. Blacksteel looks forward to working with KMSS given their depth of experience and expertise with growing private and public oil and gas producers.

Additional Closing of Financing

Blacksteel has completed an additional closing of its Offering for gross proceeds of \$280,250. Pursuant to the Closing, Blacksteel issued 3,503,125 common shares ("**Common Shares**") at a price of \$0.08 per share. An arm's length finder received cash commission of \$14,900 and 186,250 finder warrants. 186,250 finder warrants entitle the holder to acquire one Common Share at an exercise price of \$0.08 on or before July 15, 2024. After the Closing, Blacksteel has 111,701,255 Common Shares issued and outstanding.

Updated Presentation

Blacksteel has updated its corporate presentation on the website located at www.blacksteelenergy.ca. We invite our shareholders, potential investors, and interested parties to review this information as it contains a number of updates on our assets.

Application for Management Cease Trade Order

Blacksteel announces that the filing of its audited annual financial statements, management's discussion and analysis and related CEO and CFO certifications for the financial year ended April 30, 2023 (the "**Required Filings**"), will be delayed beyond the filing deadline of August 29, 2023, and as a result, it will be in default of its obligations under Part 4 of National Instrument 51-102 *Continuous Disclosure Obligations*. The delay in the completion of the Required Filings is a result of delays in the audit process due to management and the Corporation's prior audit firm, collectively, requiring additional time to complete two years of audits which also resulted in additional disclosures in 2023 that impact Blacksteel's audited

financials. Further, the prior auditor became aware of IFRS guidance regarding lease obligations that they treated as an expense instead of as Right of Use necessitating a reclassification of the line item. As a result, the previous auditors are restating the prior financial statements.

The Corporation has made an application to the Alberta Securities Commission (the "**ASC**") for a management cease trade order (the "**MCTO**"), which would restrict all trading in securities of the Corporation, whether direct or indirect, by management of the Corporation.

The MCTO does not generally affect the ability of shareholders who are not insiders of the Corporation to trade their securities. There is no certainty that the MCTO will be granted.

The Corporation is not subject to any insolvency proceedings and that there is no other material information that has not been generally disclosed.

The Corporation is working expeditiously with its new auditor, Kenway Mack Slusarchuk Stewart LLP, to complete the audit as soon as possible. Blacksteel plans to remedy the default and file the Required Filings as soon as it is able to do so and expects such filing to occur on or prior to October 1, 2023. The Corporation also intends to satisfy the provisions of the alternate information guidelines of Section 10 of National Policy 12-203 *Management Cease Trade Orders* as long as it is in default of the filing requirements.

Duncan Nightingale, Blacksteel's CEO, commented, "As our light oil production has been stabilizing with greater operational stability and almost flat decline, Blacksteel continues to advance strategic growth opportunities mainly focused around developing our large resource potential and adding value on a per share basis.

We appreciate the continued support of our investors and look forward to adding more value over the coming year building on the significant increase in the value of our reserve report we announced in June, 2023. Over the next few months Blacksteel will be releasing more details regarding production growth, potential acquisitions, an AGM, and a path to liquidity for our shareholders."

Blacksteel Energy Inc.

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

Duncan Nightingale
President and CEO
(587) 433-4159
duncan@blacksteelenergy.ca
www.blacksteelenergy.ca

Jeff Callaway
EVP and CFO
(403) 540-2408
jeff@blacksteelenergy.ca

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 timing for completion of the Corporation's Required Filings; growth in production; potential acquisitions; annual general meeting; future development plans; and liquidity for shareholders. 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.

Not for distribution to U.S. Newswire Services or for dissemination in the United States of America. Any failure to comply with this restriction may constitute a violation of U.S. Securities Laws.