

Editor's Note: There is one photo associated with this news release.

[Blackbird Energy Inc.](#) (TSX VENTURE:BBI) ("Blackbird" or the "Company") is pleased to announce the closing of the previously announced acquisition of an indirect 10% minority interest in Stage Completions Inc. ("Stage") for a cash purchase price of \$3.0 million (the "Stage Acquisition"), the spud of its previously announced 3-28-70-7W6 ("3-28") Elmworth Upper Montney well and the grant of incentive stock options.

Closing of Stage Acquisition

Blackbird has closed the Stage Acquisition pursuant to the terms of a subscription agreement entered into between Blackbird and Stage's holding corporations, the majority shareholders of Stage (the "Subscription Agreement").

The closing of the Stage Acquisition was subject to certain financial and operational conditions including the receipt of an independent valuation report of Stage and the successful deployment of the Bowhead II fracturing system (the "Stage System") in two wells (the "Condition Wells"). The independent valuation report, prepared by a large international accounting firm, was received by Blackbird in September, 2016, and as such, that condition was satisfied.

The Stage System has been successfully installed and tested in three wells:

1. Blackbird's Cardium water disposal well during July, 2016;
2. The first of the Condition Wells during September, 2016; and
3. Blackbird's 102/2-20-70-7W6 ("02/2-20") well during November, 2016.

Please see the link below to view Blackbird's previous news release dated November 18, 2016, which outlines the performance of the Stage System in Blackbird's 02/2-20 well.

<https://www.blackbirdenergyinc.com/news/blackbird-announces-successful-02-2-20-d-and-c-program-using-stage-system-planned->

Due to the success of these three Stage System installations and tests, Blackbird waived the Subscription Agreement's final outstanding condition of successful deployment of the Stage System in the second Condition Well.

Please see Figure 1 for a picture of Garth Braun, Chairman, Chief Executive Officer and President of Blackbird and Sean Campbell, President and Chief Executive Officer of Stage, closing the Stage Acquisition.

Spud of Previously Announced 3-28 Elmworth Montney Well

Blackbird's previously announced 3-28 Upper Montney well (the "Well") was spud on November 23, 2016. The Well is located in what an industry leader calls the "Volatile Oil" window, which they define as having more than 250 bbls of condensate per mmcf of natural gas. The Well was spud from surface location 11-15-70-7W6, will have a lateral length of approximately 2,150 meters, and will target location 3-28-70-7W6.

Subsequent to the 3-28 drilling operations, Blackbird will conduct a large scale, high-tonnage slickwater completion program utilizing the Stage System. The 3-28 completion operations are scheduled to begin in December, 2016.

Grant of Incentive Stock Options

The Company has granted an aggregate of 8,350,000 incentive stock options to certain of its directors and officers pursuant to the terms of the Company's stock option plan. Such options are exercisable for five years at an exercise price of \$0.58 and are subject to the acceptance of the TSX Venture Exchange.

The options will vest in three equal installments. The first 1/3 shall vest upon grant, the second 1/3 will vest on the first anniversary of the grant, and the final 1/3 will vest on the second anniversary of the grant.

Any common shares issuable upon exercise will be subject to a four-month hold period expiring on March 22, 2017. Following this grant of options, Blackbird has 34,210,711 shares reserved for issuance pursuant to options granted under the Company's stock option plan, leaving 23,774,556 options available to be issued.

[Blackbird Energy Inc.](#) is a highly innovative oil and gas exploration and development company focused on the condensate and liquids-rich Montney fairway at Elmworth, near Grande Prairie, Alberta.

For more information please view our Corporate Presentation at www.blackbirdenergyinc.com.

Advisories and Forward-Looking Information

For further information regarding the Stage Acquisition please see the Company's material change report dated July 29, 2016 and the Subscription Agreement, including an amending agreement thereto, copies of which are available on Blackbird's SEDAR profile at www.sedar.com.

The Stage Acquisition is a "related party transaction" as such term is defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") as Mr. Garth Braun, the Company's Chairman, Chief Executive Officer and President is also a director of Stage and Sean Campbell, a director of Blackbird, holds an indirect controlling interest in Stage and is also the Chief Executive Officer, President and a director of Stage. The Transaction is exempt from the requirement to obtain minority shareholder approval and a formal valuation as required by MI 61-101 as the fair market value of the transaction is not more than the 25% of the Company's market capitalization.

This press release contains forward-looking statements or information (collectively referred to herein as "forward-looking statements"). Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements and are not guarantees of future performance of the Company. Such forward-looking statements include but are not limited to: the location of the 3-28 well in a "Volatile Oil" window, the drilling of the 3-28 well, and the proposed completion of a high tonnage slickwater completion program with respect to the 3-28.

No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates, and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic and business conditions in North America and internationally, (2) the inherent uncertainties and speculative nature associated with oil and gas exploration, development and production including drilling and completion risks, (3) the price of and demand for oil and gas and their effect on the economics of oil and gas exploration, (4) any number of events or causes which may delay or cease exploration and development of the Company's property interests, such as environmental liabilities, weather, mechanical failures, safety concerns and labour problems, (5) the risk that the Company does not execute its business plan, (6) inability to retain key employees, (7) inability to finance operations and growth, and (8) other factors beyond the Company's control. Should one or more of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, actual results may vary in material respects from those projected in the forward-looking statements. Readers are cautioned that the foregoing list of risks, uncertainties, and other factors is not exhaustive. Unpredictable or unknown factors not discussed could also have material adverse effects on forward-looking statements. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent on other factors, and the Company's course of action would depend on its assessment of the future considering all information then available. All forward-looking statements in this press release are expressly qualified in their entirety by these cautionary statements. Except as required by law, the Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

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To view the photo associated with this news release, please visit: <http://www.marketwire.com/library/20161123-1077557f1.jpg>

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