

CALGARY, ALBERTA--(Marketwired - Dec. 1, 2016) - BlackPearl Resources Inc. ("BlackPearl" or the "Company") (TSX:PXX)(OMX:PXXS) is pleased to announce it has completed the sale of a minor gross overriding royalty interest on its Onion Lake property for \$55 million.

Under the terms of the agreement BlackPearl sold an approximate 1.75% royalty on production from substantially all of its Onion Lake lands. BlackPearl currently has conventional and thermal production of approximately 8,000 barrels of oil per day at Onion Lake and is planning a 6,000 barrel per day second phase expansion of its thermal operations in the area.

The proceeds of the sale will initially be used to re-pay bank indebtedness, which will free up borrowing capacity on our credit facilities that is expected to be used to partially fund the expansion of our thermal operations at Onion Lake in addition to continued development of our other core projects. The Onion Lake phase two expansion is estimated to cost approximately \$180 million.

Additionally, the Company's banking syndicate recently completed its semi-annual review of our credit facilities and has agreed to maintain the amount available under these facilities at \$117.5 million. With the completion of the royalty sale our net debt at the end of the year is expected to be nil.

John Festival, President of BlackPearl commenting on the sale indicated that "the proceeds received from the sale is an excellent initial step in financing the continued development of our thermal operations at Onion Lake and is much less dilutive to shareholders than issuing common shares. The significant value we received for the royalty sale reflects the long life and growth potential of the asset. Our thermal operations at Onion Lake have some of the best operating metrics in industry and we believe the sale of a small royalty interest will not have a material impact on the overall economics of the project. In the next few months we look forward to completing the remaining steps that will allow us to fully sanction the expansion of our Onion Lake thermal project."

#### Forward-looking Statements

This release contains certain forward-looking statements and forward-looking information (collectively referred to as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of historic fact are forward-looking statements. Forward-looking statements are typically identified by such words as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "potential", "targeting", "intend", "could", "might", "should", "believe" or similar words suggesting future events or future performance.

In particular, but without limiting the foregoing, this report contains forward-looking statements pertaining to our business plans and strategies including our plans to expand for a 6,000 barrel per day expansion at Onion Lake and our plan to use the proceeds from the royalty sale to initially reduce bank indebtedness and to use the freed-up bank lending capacity to partial fund the Onion Lake expansion, the \$180 million expected capital costs of the Onion Lake expansion; the expectation that our net debt will be nil at year-end; the expectation that the sale of a royalty will not materially impact the economics of the Onion Lake project; and the expectation that the remaining steps in securing financing for the Onion Lake expansion will be completed in the next few weeks.

The forward-looking statements in this document reflect certain assumptions and expectations by management. The key assumptions that have been made in connection with these forward-looking statements include the continuation of current or, where applicable, assumed industry conditions, the continuation of existing tax, royalty and regulatory regimes, commodity price and cost assumptions, the continued availability of cash flow or financing on acceptable terms to fund the Company's capital programs, the accuracy of the estimate of the Company's reserves and resource volumes and that BlackPearl will conduct its operations in a manner consistent with past operations. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties which could cause actual results to differ materially from those contained in forward-looking statements. These factors include, but are not limited to, risks associated with fluctuations in market prices for crude oil, natural gas and diluent; risks related to the exploration, development and production of crude oil, natural gas and NGLs reserves; general economic, market and business conditions; substantial capital requirements; uncertainties inherent in estimating quantities of reserves and resources; extent of, and cost of compliance with, government laws and regulations and the effect of changes in such laws and regulations from time to time; the need to obtain regulatory approvals on projects before development commences; environmental risks and hazards and the cost of compliance with environmental regulations; aboriginal claims; inherent risks and hazards with operations such as fire, explosion, blowouts, mechanical or pipe failure, cratering, oil spills, vandalism and other dangerous conditions; potential cost overruns; variations in foreign exchange rates; diluent supply shortages; competition for capital, equipment, new leases, pipeline capacity and skilled personnel; uncertainties inherent in the SAGD bitumen and ASP recovery processes; credit risks associated with counterparties; the failure of the Company or the holder of licenses, leases and permits to meet requirements of such licenses, leases and permits; reliance on third parties for pipelines and other infrastructure; changes in royalty regimes; failure to accurately estimate abandonment and reclamation costs; inaccurate estimates and assumptions by management; effectiveness of internal controls; the potential lack of available drilling equipment and other restrictions; failure to obtain or keep key personnel; title deficiencies with the Company's assets; geo-political risks; risks that the Company does not have adequate insurance coverage; risk of litigation and risks arising from future acquisition activities. Further information regarding these risk factors and others may be found under "Risk Factors" in the Annual Information Form.

Undue reliance should not be placed on these forward-looking statements. Readers are cautioned that the actual results achieved

will vary from the information provided herein and the variations could be material. Readers are also cautioned that the foregoing list of assumptions, risks and factors is not exhaustive. Consequently, there is no assurance by the Company that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements. Furthermore, the forward-looking statements contained in this document are made as of the date hereof, and the Company does not undertake any obligation, except as required by applicable securities legislation, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

#### Non-GAAP Measures

In this news release, the Company uses the term "net debt". "Net debt" represents long term debt less working capital. This term does not have standardized meanings as prescribed by GAAP and, therefore, may not be comparable with the calculation of similar measures presented by other issuers. This term is used by the Company to analyze leverage and liquidity.

The information in this release is subject to the disclosure requirements of [BlackPearl Resources Inc.](#) under the EU Market Abuse Regulation and/or the Swedish Securities Market Act. This information was publicly communicated on December 1, 2016 at 2:00 p.m. Mountain Time.

#### Contact

##### [BlackPearl Resources Inc.](#)

John Festival  
President and Chief Executive Officer  
(403) 215-8313

##### [BlackPearl Resources Inc.](#)

Don Cook  
Chief Financial Officer  
(403) 215-8313

##### [BlackPearl Resources Inc.](#)

Robert Eriksson  
Investor Relations Sweden  
+46 701-112615

##### [BlackPearl Resources Inc.](#)

900, 215 - 9th Avenue SW  
Calgary, AB T2P 1K3  
(403) 265-5359  
(403) 215-8313  
[www.blackpearlresources.ca](http://www.blackpearlresources.ca)