

CALGARY, ALBERTA--(Marketwired - Jun 29, 2017) - [Blackbird Energy Inc.](#) (TSX VENTURE:BBI) ("Blackbird" or the "Company") is pleased to announce its financial and operational results for the quarter ended April 30, 2017. Blackbird's unaudited condensed consolidated interim financial statements and management's discussion and analysis for the quarter ended April 30, 2017 are available on SEDAR at www.sedar.com and are also posted on Blackbird's website at www.blackbirdenergyinc.com.

Significant Q3 2017 Highlights

- Balance Sheet: Closed an upsized and over-subscribed marketed public offering for total gross proceeds of \$84.8 million on March 14, 2017;
- Balance Sheet: Working capital of \$71.8 million at April 30, 2017;
- Total Assets: \$189.4 million at April 30, 2017;
- Reserves: Reported Pipestone / Elmworth Montney proved plus probable ("2P") before tax NPV10% reserves of \$455 million (an increase of 1,002% from July 31, 2016) and risked best estimate contingent resources before tax NPV10% of \$437 million;
- Land: During the three months ended April 30, 2017 Blackbird acquired a total of 28 gross (12.9 net) sections of additional Montney lands, increasing its total Pipestone / Elmworth Montney land position to 102.9 net sections at April 30, 2017. At the date of this news release, Blackbird holds 104.9 net sections of Pipestone / Elmworth Montney lands;
- Q3 2017 Production: While on production during the quarter, Blackbird produced 4.9 mmcf/d of natural gas, 708 bbls/d of condensate, and 69 bbls/d of NGLs. During the three months ended April 30, 2017, Blackbird averaged production of 2.7 mmcf/d of natural gas, 384 bbls/d of condensate, and 37 bbls/d of NGLs (868 boe/d of total production) despite significant third party natural gas processing shut-downs and mechanical issues experienced with the 02/2-20 well during completion operations which limited its productivity. Blackbird's 5-26, 2-20, 02/2-20 and 6-26 wells produced for 59, 60, 32 and 42 days respectively during Q3 2017, compared to 89 total calendar days in the quarter;
- Q3 2017 Condensate Gas Ratio: 144 bbls/mmcf during the three months ended April 30, 2017;
- Q3 Liquids Gas Ratio: 158 bbls/mmcf during the three months ended April 30, 2017;
- Q3 Revenue: \$3.3 million during the three months ended April 30, 2017;
- Q3 Operating Netback: \$14.85/boe during the three months ended April 30, 2017;
- IP 30s, IP60s and IP90s: Blackbird obtained IP30s for its 5-26, 2-20, 02/2-20 and 6-26 wells, IP60s for its 5-26, 2-20 and 6-26 wells, and IP90s for its 5-26 and 2-20 wells. Blackbird is encouraged by this initial data. See the "Pipestone / Elmworth Initial Production Results" section below; and
- 2-20 (Surface 11-9) Eastern Step-Out Production Test (Subsequent to April 30, 2017): Blackbird recently performed a 111 hour production test of its 2-20 (surface 11-9) eastern step-out well which was completed using the Stage System. It is estimated that this well is producing from a limited portion of its wellbore due to the previously announced completion issues experienced in this well. During the last 48 hours of this production test, the 2-20 (surface 11-9) well produced 0.22 mmcf/d and 379 bbls/d of oil (for a total of approximately 416 boe/d).

See below for a summary table containing certain Q3, 2017 financial and operational figures:

By the Numbers - Q3 2017

<i>(CDN\$ thousands, except where otherwise noted)</i>	Three months ended April 30		
	2017	2016	% Change
Financial ⁽¹⁾			
Petroleum and natural gas revenue	3,312	13	25,377
Funds used in operating activities	1,122	600	87
Net loss	1,500	936	60
Net loss per share - basic and diluted (\$/share)	0.00	0.00	-
Total assets	189,398	52,720	259
Working capital	71,823	6,260	1,047
Capital expenditures	16,259	403	3,934
Pipestone / Elmworth reserves (2P before tax NPV10%)	455,018	38,533	1,081
Operating ⁽¹⁾			
Production			
Condensate (bbls/d)	384	-	100
NGLs (bbls/d)	37	-	100
Natural gas (mcf/d)	2,663	-	100
Non-core (boe/d)	3	9	(67)
Total (boe/d)	868	9	9,544
Liquids ratio (%)	49	-	100
Condensate gas ratio (bbls/mmcf)	144	-	100
Liquids gas ratio (bbls/mmcf)	158	-	100
Average Montney realized selling prices			
Condensate (\$/bbl)	62.35	-	100

NGLs (\$/bbl)	27.81	-	100
Natural gas (\$/mcf)	4.57	-	100
<i>Netbacks (\$/boe)</i>			
Petroleum and natural gas revenue	42.87	16.05	167
Royalties	(2.93)	-	100
Operating	(10.34)	(92.59)	(89)
Transportation, processing and other	(14.75)	-	100
Operating netback	14.85	(76.54)	119
Pipestone / Elmworth Montney sections of land (net)	102.9	73.0	41

Notes:

(1) See the Company's Q3 2017 financial statements and management's discussion and analysis filed on SEDAR for further discussion and disclaimers regarding the figures above.

Pipestone / Elmworth Initial Production Results

Blackbird is encouraged by its initial production results at Pipestone / Elmworth, with the Company's wells indicating high condensate / NGL rates and strong productive capability. Blackbird's Pipestone / Elmworth Montney initial production 30 ("IP30"), 60 ("IP60") and 90 ("IP90") results are as follows:

IP30 RESULTS ⁽¹⁾

Well	Montney Interval	Raw Gas ⁽²⁾	Sales Gas ⁽³⁾	Condensate ⁽³⁾	NGLs ⁽³⁾	Total Liquids ⁽³⁾	Total Sales ⁽³⁾	CGR C5+/Raw
		(mmcf/d)	(mmcf/d)	(bbls/d)	(bbls/d)	(bbls/d)	(boe/d)	(bbls/mmcf)
5-26-70-7W6	Upper	1.37	1.31	293	19	312	530	214
2-20-70-7W6	Middle	2.15	1.85	274	21	295	604	127
102/2-20-70-7W6 ⁽⁴⁾	Upper	0.58	0.49	69	6	75	157	119
6-26-70-7W6	Middle	0.74	0.65	181	13	194	302	245

Notes:

(1) First 720 hours of production excluding third party gas processing plant shut-downs of approximately 33 days and other periods where the wells were shut-in.

(2) Based on field-estimated production data.

(3) Based on actual sales data.

(4) Based on camera run performed, management estimates that this well was producing through a limited number of stages due to mechanical issues experienced in the wellbore during completion operations. Management is unable to determine the number of producing stages. Management believes that these results may not be indicative of the well's production potential.

IP60 RESULTS ⁽¹⁾

Well	Montney Interval	Raw Gas ⁽²⁾	Sales Gas ⁽³⁾	Condensate ⁽³⁾	NGLs ⁽³⁾	Total Liquids ⁽³⁾	Total Sales ⁽³⁾	CGR C5+/Raw
		(mmcf/d)	(mmcf/d)	(bbls/d)	(bbls/d)	(bbls/d)	(boe/d)	(bbls/mmcf)
5-26-70-7W6	Upper	1.17	1.09	224	19	243	425	191
2-20-70-7W6	Middle	2.59	2.31	254	28	282	667	98
6-26-70-7W6	Middle	0.58	0.50	130	10	140	223	224

Notes:

(1) First 1,440 hours of production excluding third party gas processing plant shut-downs of approximately 33 days and other periods where the wells were shut-in.

(2) Based on field-estimated production data.

(3) Based on actual sales data.

IP90 RESULTS ⁽¹⁾

Well	Montney Interval	Raw Gas ⁽²⁾	Sales Gas ⁽³⁾	Condensate ⁽³⁾	NGLs ⁽³⁾	Total Liquids ⁽³⁾	Total Sales ⁽³⁾	CGR C5+/Raw
		(mmcf/d)	(mmcf/d)	(bbls/d)	(bbls/d)	(bbls/d)	(boe/d)	(bbls/mmcf)
5-26-70-7W6	Upper	1.17	1.08	200	20	220	400	171
2-20-70-7W6	Middle	2.72	2.45	245	31	276	684	90

Notes:

(1) First 2,160 hours of production excluding third party gas processing plant shut-downs of approximately 33 days and other periods where the wells were shut-in.

(2) Based on field-estimated production data.

(3) Based on actual sales data.

2-20 (SURFACE 11-9) PRODUCTION TEST RESULTS

The Company is also very encouraged by the initial production test results of its eastern step-out well, the 2-20 (surface 11-9). It is estimated that the 2-20 (surface 11-9) well was producing from a limited portion of its wellbore as a result of the previously announced challenges experienced during completion operations. Despite this, the 2-20 (surface 11-9) well produced approximately 379 bbls/d of oil during the last 48 hours of a 111 hour production test. The 2-20 (surface 11-9) well will be tied-in subsequent to being recompleted (the timing of which is to be determined), and the construction of an eastern pipeline gathering system.

Well	Montney Interval	Average Flowing Casing Pressure (kPa) ⁽²⁾	Raw Gas (mmcf/d) ⁽³⁾	Oil (bbls/d) ⁽³⁾	Total Combined Production (boe/d) ⁽³⁾
2-20-70-6W6 ⁽¹⁾ (4)	Middle	3,051	0.22	379	416

Notes:

(1) Based on camera run performed, management estimates that this well was producing through a limited number of stages due to mechanical issues experienced in the wellbore during completion operations. Management is unable to determine the number of producing stages. Management believes that these results may not be indicative of the well's production potential. The 2-20 (surface 11-9) well flowed on clean-up for a total of 111 hours.

(2) The 2-20 (surface 11-9) well produced through a 14.3 millimeter choke at the beginning of the final 48 hour test period and a 25.4 millimeter choke at the end of the final 48 hour test period. At the end of the 48 hour test period, the flowing casing pressure was 2,205 kPa.

(3) The 2-20 (surface 11-9) well average rates over the final 48 hours of the test.

(4) The 2-20 (surface 11-9) well produced an average of approximately 1,290 bbls of water per day over the final 48 hours of the 111 hour production test.

Blackbird's Current Well List & Status

Well	Operated or Non-Operated	Working Interest (%)	Montney Interval	Measured Depth (meters)	Lateral Length (meters)	Status
6-26-70-7W6	Operated	100	Middle	4,734	2,052	Producing
5-26-70-7W6	Operated	100	Upper	4,621	1,951	Producing
2-20-70-7W6	Operated	100	Middle	4,660	2,008	Producing
102/2-20-70-7W6	Operated	100	Upper	4,598	2,049	Recompleted and awaiting reconnection ⁽¹⁾
15-21-70-7W6	Operated	100	Upper	4,120	1,500	To be Recompleted in August 2017
2-20-70-6W6	Operated	100	Middle	4,885	2,256	To be Recompleted, Timing TBD
14-30 -70-7W6	Non-Operated	17.9	Upper	5,350	2,861	Drilled & Completed, to be Tested Near-Term
13-04-70-6W6	Non-Operated	37.5	Middle	5,615	3,056	Drilled & Completed, to be Tested Near-Term
3-17-70-5W6	Non-Operated	20	Middle	5,320	2,876	Drilled, to be Completed Near-Term
02/6-26-70-7W6	Operated	100	Upper	Currently being Drilled (14-14 Pad)		
2-28-70-7W6	Operated	100	Upper	To be Licensed (11-15 Pad)		
1-20-70-7W6	Operated	100	Upper	Licensed (10-8 Pad)		

Note:

(1) Shut-in during April, 2017. Recompleted in June, 2017, will be reconnected and commence production in near-term.

Outlook & Remaining Calendar 2017 Capital Program

Blackbird is well positioned with a strong balance sheet, a large, contiguous, multi-interval land block in a liquids-rich Montney corridor, and production which is generating cash-flow.

Blackbird currently has three wells producing: (1) the 2-20 Middle Montney well; (2) the 5-26 Upper Montney well; and (3) the 6-26 Middle Montney well. The 02/2-20 Upper Montney well was recently recompleted and is expected to commence production in the near-term.

Blackbird plans to recomplete its 15-21 Upper Montney well (previously called the 3-28) during August, 2017, at which time it

will be tied-in. The 2-20 (surface 11-9) well will be tied-in subsequent to being recompleted (the timing of which is to be determined), and upon the construction of an eastern pipeline gathering system.

In addition to the 15-21 and 2-20 (surface 11-9) recompletion operations discussed above, during the remainder of calendar 2017 Blackbird plans to finish drilling the 102/6-26 well, complete the 102/6-26 well using the Stage System, and drill/complete approximately two additional operated wells (the 2-28-70-7W6 and 1-20-70-7W6, both on existing pads). Blackbird will also participate in the completion operations of the 3-17 non-operated well on Blackbird's south-eastern lands.

The operations outlined above are expected to cost approximately \$30.0 - \$35.0 million, depending on completion design and lateral lengths. Blackbird is in the final stages of preparing its capital budget for fiscal 2018.

As Blackbird continues to execute on its operations and gather important production data, it becomes better positioned to finalize gas handling and take-away agreements, allowing for continued growth as Blackbird executes on its business plan.

About Blackbird

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

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

The TSX Venture Exchange Inc. has neither approved nor disapproved the contents of this press release. Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

ADVISORIES REGARDING OIL AND GAS INFORMATION

This news release contains the term barrels of oil equivalent ("Boe"). Natural gas is converted to a Boe using six thousand cubic feet of gas to one barrel of oil. Boes may be misleading, particularly if used in isolation. The foregoing conversion ratios are based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As well, given that the value ratio based on the current price of crude oil to natural gas is significantly different from the 6:1 energy equivalency ratio, using a conversion ratio on a 6:1 basis may be misleading as an indication of value.

INITIAL PRODUCTION RATES

Any references in this document to initial production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for Blackbird.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This press release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. The use of any of the words "will", "expects", "believe", "plans", "potential" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this press release contains forward looking statements, including the commencement of production from the 02/2-20 well in the relatively near-term, production potential of wells, Blackbird's ability to recomplete the 15-21 and 2-20 (surface 11-9) wells and the timing thereof, the construction of an eastern pipeline gathering system, the drilling of the 02/6-26 well and the completion using the Stage System and timing thereof, the drilling and completion of the 2-28-70-7W6 and 1-20-70-7W6 wells and the timing thereof, the completion of the 3-17 well in the relatively near-term, the expected cost of operations for the remainder of calendar 2017, the 2018 capital budget, the finalization of gas handling and take-away agreements and the continued growth of Blackbird as it executes on its business plan.

By their nature, forward-looking statements are based upon certain assumptions and are subject to numerous risks and uncertainties, some of which are beyond Blackbird's control, including the impact of general economic conditions, industry conditions, current and future commodity prices, currency and interest rates, anticipated production rates, borrowing, operating and other costs and funds from operations, the timing, allocation and amount of capital expenditures and the results therefrom, anticipated reserves and the imprecision of reserve estimates, the performance of existing wells, the success obtained in drilling new wells, the sufficiency of budgeted capital expenditures in carrying out planned activities, competition from other industry participants, availability of qualified personnel or services and drilling and related equipment, stock market volatility, effects of regulation by governmental agencies including changes in environmental regulations, tax laws and royalties; the ability to

access sufficient capital from internal sources and bank and equity markets; and including, without limitation, those risks considered under "Risk Factors" in our Annual Information Form dated October 21, 2016 and available on SEDAR.

This press release, in particular the information in respect of estimated revenues and/or production while flowing, may contain future-oriented financial information or financial outlook within the meaning of applicable securities laws. Such future-oriented financial information or financial outlook has been prepared for the purpose of providing information about management's reasonable expectations as to the anticipated results of its proposed business activities. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

NON-IFRS MEASUREMENTS

Within this new release, references are made to terms commonly used in the oil and natural gas industry. Management uses "operating netback" to analyze operating performance. These terms do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with the calculation of similar measures for other entities. These terms are used by management to analyze operating performance on a comparable basis with prior periods of Blackbird. Operating netback equals the total of revenues less royalties, transportation, processing and operating expenses calculated on a Boe basis. For more details on non-IFRS measures, including a reconciliation to IFRS measures refer to our Management's Discussion and Analysis for the quarter ended April 30, 2017.

RESERVES ADVISORIES

The reserves estimates prepared herein have been evaluated by an independent qualified reserves evaluator in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and are effective as of March 1, 2017 and January 31, 2016. All reserves information has been presented on a gross basis, which is the Company's working interest share before deduction of royalties and without including any royalty interests of the Company. The reserves have been categorized accordance with the reserves definitions as set out in the COGE Handbook. For more information on reserves and contingent resources refer to the Company's Management's Discussion and Analysis for the quarter ended April 30, 2017.

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