

CALGARY, ALBERTA--(Marketwired - July 25, 2017) - [Blackbird Energy Inc.](#) ("Blackbird" or the "Company") (TSX VENTURE:BBJ) is pleased to provide an operational update regarding its 2017 delineation and development program and expansion of the Eastern Pipestone/Elmworth Gathering System ("Eastern Gathering System"). Blackbird is also pleased to announce that it has increased its Montney rights in the Pipestone/Elmworth corridor to 125 gross sections (108.9 net sections).

## Highlights

- **2017 Delineation and Development Program:** Blackbird has focused on furthering the development of its southern Wapiti core area, enhancing production capacity, and the continued delineation of its extensive Montney resource. In the next quarter the budgeted program encompasses the drilling, completion and recompletion of a total of six development wells and the drilling and completion of four (1.75 net) delineation wells.
- **Recompletion Program:** Blackbird has successfully recompleted the first of three wells. The remaining two wells are planned to be recompleted in August and September, respectively, with initial production testing to follow thereafter.
- **Gathering System Expansion:** Blackbird has commenced surveying of its Eastern Gathering System, which will tie in production from the 2-20-70-6W6 (11-9 surface) well and service future development wells on Blackbird's eastern lands south of the Wapiti. Construction is expected to commence post regulatory approval with an estimated budget of \$4.4 million. The Eastern Gathering System is anticipated to be brought on stream in the first half of 2018.

## Delineation and Development Program

### *Operated Wells*

We are pleased to provide the status and timeline for the drilling and completion of three development wells and one delineation well on our northern multi-interval land block.

#### 02/6-26-70-7W6 Upper Montney Development Well

The previously announced 02/6-26-70-7 Upper Montney well was spud on June 10, 2017 from surface location 14-14-70-7W6 and drilled to a measured depth of 4,808 meters, including an approximately 2,100 meter lateral section. The well was drilled for approximately \$2.6 million. Completion operations are scheduled for August 12, 2017 utilizing the STAGE Generation Four 8620 Sleeve System. The completion program will place approximately 75 tonnes of sand per stage over approximately 52 stages. Blackbird plans to tie-in and flow-test the well into existing infrastructure, with initial production anticipated by late August, 2017.

#### 2-28-70-7W6 Middle Montney Development Well

The 2-28-70-7 Middle Montney well was spud on July 11, 2017 from surface location 11-15-70-7 W6. Currently the well is being drilled in the lateral section and the planned measured depth is 5,004 meters, including an approximately 2,050 meter lateral section. Completion operations are scheduled for August 26, 2017 utilizing the STAGE Generation Four 8620 Sleeve System. The completion program will place approximately 75 tonnes of sand per stage over approximately 52 stages. Following completion, the well will be tied in and flow-tested into existing infrastructure, with initial production anticipated by September, 2017.

#### 1-20-70-7W6 Upper Montney Development Well

The 1-20-70-7 Upper Montney well is expected to be spud the first week of August from surface location 10-8-70-7W6. The well has a planned measured depth of 4,600 meters, including an approximately 2,000 meter lateral section. Completion operations are scheduled for the first week of October utilizing the STAGE Generation Four 8620 Sleeve System. The completion program will place approximately 75 tonnes of sand per stage over approximately 51 stages. Blackbird plans to tie-in and flow-test the well into existing infrastructure, with initial production anticipated by late October, 2017.

#### 7-27-71-7W6 Upper Montney Delineation Well

The 7-27-71-7 Upper Montney delineation well is expected to be spud at the end of August from surface location 7-33-71-7W6. The well has a planned measured depth of 4,500 meters, including an approximately 2,000 meter lateral section. Completion operations are scheduled for the latter portion of October utilizing the STAGE Generation Four 8620 Sleeve System. The completion program will place approximately 75 tonnes of sand per stage over approximately 51 stages. This well targets the Upper Montney at Pipestone/Elmworth and will test and delineate the "Volatile Oil" window on the northern portion of Blackbird's land. This well is an approximate 10 km northern step-out from Blackbird's existing operated wells and is important both for the continued delineation of the "Volatile Oil" window as well as continuing a significant portion of Blackbird's northern multi-interval land block. The well will be flow-tested post completion to evaluate productive capability and reservoir quality.

## Non-operated Delineation Wells

Blackbird has participated in the drilling and completion operations of three (.75 net) non-operated delineation wells.

### 14- 30-70-7W6 Upper Montney Well

The 14- 30-70-7 Upper Montney well in which Blackbird has a 17.9% working interest is located north of the Wapiti and has been drilled, completed and initial production tested. This well delineates the "Volatile Oil" window on the western edge of Blackbird's lands and also retains one section of Blackbird's land that was in near term expiry. The well was drilled to a total measured depth of 5,350 meters and a lateral length of 2,861 meters.

### 13-04-70-6W6 and the 3-17-70-5W6 Middle Montney Wells

The 13-04-70-6 and the 3-17-70-5 Middle Montney wells, in which Blackbird has a 37.5% and 20% working interest, respectively, are located south of the Wapiti and have both been drilled and completed. Both wells will further delineate the "Volatile Oil" window and also will allow for the retention of Blackbird's southeastern lands. The 13-04-70-6 well was drilled to a total measured depth of 5,615 meters and a lateral length of 3,056 meters and the 3-17-70-5 well was drilled to a total measured depth of 5,320 meters and a lateral length of 2,876 meters.

## Recompletions

### 02/2-20-70-7W6 Upper Montney Development Well

The 02/2-20-70-7 Upper Montney well was successfully refrac'd in mid-June using plug and perf and diverter agents. The completion consisted of 33 intervals at 30 meters spacing and approximately 1,650 tonnes of sand was placed. Tubing was installed July 16, 2017 and the well is tied in and is in clean-up phase with a projected IP30 date of early September.

### 15-21-70-7W6 Upper Montney Development Well

The 15-21-70-7 Upper Montney well is scheduled to be refrac'd in late August in conjunction with the 2-28-70-7 Middle Montney well. The Company is evaluating two completions options, being either pin-point or plug and perf. The planned completion program will be to place approximately 2,700 tonnes of sand in the refrac.

### 2-20-70-6W6 Middle Montney Development Well

The 2-20-70-6 Middle Montney well is scheduled to be refrac'd in the middle of September. The Company is evaluating two completions options, being either pin-point or plug and perf. Management estimates that less than 20% of the well was completed during initial fracing operations. The 2-20-70-6 well produced approximately 395 bbls/d of light oil and 243 mcf/d gas during the last 24 hours of a 111-hour production test. This well confirms the presence of and extends the "Volatile Oil" window more than 5 km eastward from Blackbird's previous wells. This well is also important for the continuation of a portion of Blackbird's southeast land block and is planned to be tied in once the Eastern Gathering System is completed.

| Well                          | Montney Interval | Short-Term (24-hour) Test Rates <sup>(3)</sup> |                    |                |                           |
|-------------------------------|------------------|------------------------------------------------|--------------------|----------------|---------------------------|
|                               |                  | Average Flowing Casing Pressure                | Raw Gas Production | Oil Production | Total Combined Production |
|                               |                  | (kPa) <sup>(2)</sup>                           | (mmcf/d)           | (bbls/d)       | (boe/d)                   |
|                               |                  |                                                |                    |                |                           |
| 2-20-70-6W6 <sup>(1)(4)</sup> | Middle           | 2,499                                          | 0.24               | 395            | 436                       |

#### Notes:

<sup>(1)</sup> 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 exact number of producing stages. Management believes this well will be capable of higher production rates once the well is re-completed. The 2-20 (surface 11-9) well flowed on clean-up for a total of 111 hours.

<sup>(2)</sup> The 2-20 (surface 11-9) well produced through a 14.3 millimeter choke at the beginning of the final 24-hour test period and a 25.4 millimeter choke at the end of the final 24-hour test period. At the end of the 24-hour test period, the flowing casing pressure was 2,205 kPa.

- (3) Represents average production rates from the 2-20 (surface 11-9) well over the final 24 hours of the 111-hour production test. The Company cautions that test results and initial production rates are not necessarily indicative of long-term well or reservoir performance or of ultimate recovery. Actual results will differ from those realized during testing or an initial short-term production period, and the difference may be material.
- (4) The 2-20 (surface 11-9) well produced an average of approximately 1,399 bbls of load fluid per day over the final 24 hours of the 111-hour production test.

## Resource Delineation and Land Retention

Upon completion of Blackbird's initial 2017 development and delineation program, the Company will have a total of five Upper Montney wells and three Middle Montney wells on production, and five (2.75 net) wells behind pipe. These wells will span over four townships, with the 02/2-20-70-7 and 2-20-70-6 wells being approximately six sections apart on an east/west basis and the 7-27-71-7 and 2-20-70-6 wells being approximately eight sections apart on a north/south basis.

This drilling program will delineate a large portion of Blackbird's contiguous land block. See Figure 1 below for an illustration of these well locations and Blackbird's planned future Eastern Gathering System.

To view Figure 1: Blackbird's 13 Montney Wells and Planned Eastern Gathering System, please visit the following link:  
<http://media3.marketwire.com/docs/bbi0725fig1.pdf>.

## Eastern Gathering System Expansion

Blackbird has commenced surveying of its Eastern Gathering System. When completed the Eastern Gathering System will tie in production from our 2-20-70-6W6 (11-9 surface) well and serve as the backbone for tying in all future development wells on Blackbird's eastern lands south of the Wapiti. Construction is expected to commence post regulatory approval with an estimated budget of \$4.4 million. The Eastern Gathering System is anticipated to be brought on stream in the first half of 2018.

## Industry Activity Adjacent to Blackbird's Lands

The Pipestone/Elmworth Montney corridor continues to be one of the most actively drilled areas in Western Canada. Within two townships of Blackbird's land holdings, over 80 wells have been spud or rig released in the Montney since January 1, 2017 as illustrated with the wells highlighted in red in Figure 2 below.

To view Figure 2: Industry drilling activity adjacent to Blackbird's holdings, please visit the following link:  
<http://media3.marketwire.com/docs/bbi0725fig2.pdf>.

Garth Braun, Blackbird's Chairman, Chief Executive Officer and President stated: "Our 2017 delineation and development program continues to focus on building meaningful reserves, increasing the ability for our company to produce natural gas, oil and liquids and delineate the "Volatile Oil" window to complement the development block in the condensate window to the west. Our strategic delineation of the Upper and Middle Montney intervals over a large geographic area has provided us with very valuable information regarding our resource in-place, and solidifies our confidence in the next phase of Blackbird's growth. We will continue our delineation program and proceed into a development phase on our eastern development block. Through this development phase, we will look to increase production and reserves while maximizing the value in lockstep with our infrastructure buildup."

## About Blackbird

[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](http://www.blackbirdenergyinc.com).

## Advisories

## Forward-Looking Statements

This press release contains forward-looking statements or information (collectively referred to herein as "forward-looking statements"). Forward-looking statements relate to future results or events, and are based upon internal plans, intentions, expectations and beliefs. Such statements are subject to risks and uncertainties that may cause actual results or events to differ materially from those contained in the statements. All statements other than statements of current or historical fact constitute forward-looking statements. Forward-looking statements are typically, but not always, identified by words such as "anticipate",

"believe", "expect", "intend", "plan", "budget", "forecast", "target", "seek", "estimate", "propose", "potential", "project", "continue", "may", "will", "should" or similar words indicating or suggesting future outcomes or events.

Forward-looking statements are not guarantees of future outcomes or circumstances. There can be no assurance that the results or events contemplated by the forward-looking statements, or the plans, intentions, expectations or beliefs contained therein or upon which they are based, will in fact occur or be realized (or if they do, what benefits the Company may derive therefrom).

Forward-looking statements contained in this press release include but are not limited to, statements regarding: planned drilling and completion (including recompletion) operations in respect of the development and delineation wells described herein, including expected spud dates and timeframe for completion programs; the expected timing for tie-in, flow-testing and initial production of wells that are drilled and completed; the numbers of stages and projected sand volumes contemplated by each future completion program; the extent to which the activities described herein will delineate the Company's acreage; and the anticipated commissioning of the Eastern Gathering System, the estimated cost of its construction, and the anticipated timing for it being brought on stream.

The forward-looking statements herein reflect Blackbird's assessment of material factors and assumptions regarding, among other things: commodity prices and currency exchange rates; the timing and success of drilling and completion activities (and the extent to which the results thereof meet expectations); the accuracy of geological and geophysical data and the interpretation thereof; the Company's ability to generate internal cash flow to fund current and future expenditures, and access external financing when required and on commercially acceptable terms; future capital expenditure requirements and the sufficiency thereof to achieve the Company's objectives; the performance of both new and existing wells; the successful application of drilling and completion technology and processes; the Company's ability to economically produce oil and gas from its properties and the timing and cost to do so; the predictability of future results based on past and current experience; prevailing weather conditions; prevailing legislation and regulatory requirements affecting the oil and gas industry (including royalty regimes); the timely receipt of required regulatory approvals; the availability of capital, labour and services on a timely and cost-effective basis; and the general economic, regulatory and political environment in which the Company operates. The forward-looking statements reflect management's current views and are based on assumptions that may prove to be incorrect. Although Blackbird believes that its assessment of factors and assumptions reflected in the forward-looking statements are reasonable based on currently available information, no assurance can be given that they will prove to be correct or that the forward-looking statements.

The Company believes that the forward-looking statements contained in this press release are reasonable based on current information. Undue reliance should not, though, be placed on forward-looking statements, which are necessarily based on assumptions and subject to known and unknown risks and uncertainties that may cause actual results or events to differ materially from those indicated or suggested in the forward-looking statements. Many of these, many of risks and uncertainties are beyond the Company's control. Such risks and uncertainties include, among other things: (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, exploitation and production, including drilling, completion and processing risks and potential delays, cost overruns and loss of production or reserves bookings arising therefrom; (3) adverse changes in the price of and demand for oil and gas and their effect on the economics of oil and gas exploration and production; (4) any number of events or causes which may delay or cease exploration and development of the Company's properties or increase the cost thereof, such as environmental liabilities, adverse weather, mechanical failures, health and safety concerns, labour problems and changes in laws or governmental regulation (including with respect to royalties and taxes); (5) competition for labour, services, equipment and materials necessary to further the Company's oil and gas activities; (6) the risk that the Company does not execute its program or alters its plans; (7) inability to retain key employees or secure required services on a timely basis and on acceptable terms; (8) inability to finance operations and growth either through internal cash flow or timely access to external capital on acceptable terms; and (9) other factors beyond the Company's control.

Should any of these risks or uncertainties materialize, or any of the Company's assumptions prove incorrect, actual results or events 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. Readers should also review the risk factors described in the documents filed by the Company from time to time with securities regulatory authorities in Canada, including its most recent annual information form and annual and interim management's discussion and analysis, copies of which are available electronically on SEDAR at [www.sedar.com](http://www.sedar.com). 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 factors are interdependent and the Company's course of action would depend on its assessment 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 views change.

#### *Barrels of Oil Equivalent*

This press release includes reference to production information presented on a barrel of oil equivalent ("BOE") basis, with natural gas volumes converted at the ratio of six thousand cubic feet to one barrel of oil. BOEs may be misleading, particularly if

*used in isolation. A BOE conversion ratio of six mcf (six thousand cubic feet) to one bbl (one barrel) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead or the plant gate. Although the 6:1 conversion ratio is an accepted norm in the oil and gas industry, it is not reflective of price or market value differentials between product types. Based on current commodity prices, the value ratio between natural gas and oil is significantly different than the 6:1 ratio based on energy equivalency. Accordingly, a 6:1 conversion ratio may be misleading as an indication of value.*

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Contact

[Blackbird Energy Inc.](#)

Garth Braun

Chairman, CEO, and President

(403) 500-5550

[gbraun@blackbirdenergyinc.com](mailto:gbraun@blackbirdenergyinc.com)

[www.blackbirdenergyinc.com](http://www.blackbirdenergyinc.com)