Blackbird Energy Inc. Provides Results From Independent Resource Evaluation

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Including Best Estimate Development Pending Contingent Resources of 112.2 MMboe Representing a Before Tax Net Present Value of $587.3 Million

CALGARY, June 12, 2018 - Blackbird Energy Inc. (“Blackbird” or the “Company”) (TSX-V:BBI) is pleased to announce the results of an updated independent resource evaluation (“2018 Resource Evaluation”) by McDaniel & Associates Consultants Ltd. (“McDaniel”) in respect of the Company’s Pipestone/Elmworth Montney lands. McDaniel prepared the evaluation in accordance with the standards set out in National Instrument 51-101 of the Canadian Securities Administrators and the Canadian Oil and Gas Evaluation Handbook.

Blackbird’s Lands with Contingent Resources Booked

“Blackbird’s updated contingent resource evaluation is a critical step in our planning for future development. The report supports Blackbird’s significant undeveloped value and resource inventory beyond our existing reserves base for future growth and provides management with confidence to enter into discussions for expanded future processing capacity.” said Garth Braun, President, CEO and Chairman of Blackbird.

McDaniel previously conducted an independent resource evaluation of Blackbird’s Pipestone/Elmworth Montney lands in 2017 (the “2017 Resource Evaluation”). The 2018 Resource Evaluation is effective as of May 1, 2018, and is based on McDaniel’s forecast commodity pricing at April 1, 2018. The 2017 Resource Evaluation report was effective March 1, 2017 and based on McDaniel’s forecast commodity pricing at January 1, 2017. The results of the 2018 Resource Evaluation are summarized in the discussion and tables that follow.

These contingent resources are in addition to the Company’s proved plus probable reserves evaluated by McDaniel effective July 31, 2017, as previously disclosed by Blackbird.

Estimates of net present value (NPV) of future net revenue attributed to the contingent resources, whether or not risked, do not represent their fair market value. Certain contingencies currently prevent the classification of these contingent resources as reserves. Information on these contingencies is provided in the footnotes to the tables below. There is no certainty that it will be commercially viable to produce any portion of the contingent resources.

Highlights

- Total Best Estimate Net Contingent Resources of 112.2 MMboe: The 2018 Resource Evaluation reports Best Estimate Development Pending Contingent Resources of 112.2 MMboe (43% liquids) as of May 1, 2018. This represents an 149% increase from the Best Estimate Development Pending Contingent Resources of 45.0 MMboe from the 2017 Resource Evaluation.
- Risked Before Tax NPV10 of $587.3 Million: The corresponding estimate of risked before tax NPV of future net revenue for Best Estimate Development Pending Contingent Resources, using a discount rate of 10% per year, is $587.3 million CAD. This represents an 35% increase from the risked before tax NPV, discounted at 10% per year, of $436.5 million CAD from the 2017 Resource Evaluation.

- Contingent Resources Booked on 33.4 of 113.5 Net Sections: Per Figure 1 below, Blackbird has now booked 33.4 of its 113.5 net sections on a contingent resource basis, representing 29.4% of Blackbird's Pipestone/Elmworth Montney acreage. Contingent resources have been booked in two of four prospective Montney intervals.

Contingent Resources Summary

The following table sets forth the estimated volumes (by product type) of Best Estimate Development Pending Contingent Resources as of May 1, 2018, as evaluated by McDaniel in the 2018 Resource Evaluation, together with corresponding estimates of before tax NPV of future net revenue, on an unrisked basis and also risked for an estimated 80% chance of development.

An estimate of risked NPV of future net revenue of contingent resources is preliminary in nature and is provided to assist the reader in reaching an opinion on the merit and likelihood of Blackbird proceeding with the required investment. It includes contingent resources that are considered too uncertain with respect to the chance of development to be classified as reserves. There is uncertainty that the risked NPV of future net revenue will be realized.

Best Estimate Development Pending Contingent Resources(1)(2)(3)(4)(5)(6)(7)	Chance of Development	Best Estimate Unrisked	Best Estimate Risked
Crude Oil (Mbbl)	80 %	2,834	2,267
Natural Gas (MMcf)	80 %	478,356	382,685
Condensate (Mbbl)	80 %	45,510	36,408
Natural Gas Liquids (Mbbl)(8)	80 %	12,165	9,732
Total (Mboe)(9)	80 %	140,235	112,188
NPV Before Tax ($ million), discounted at			
0%		$3,058	$2,446
5%		$1,411	$1,129
10%		$734	$587

Notes:

(1) *Net (after royalties) using forecast prices and costs, including McDaniel's commodity price forecasts at April 1, 2018. Net contingent resources are working interest (operating or non-operating) share after deduction of royalty obligations, plus royalty interests in contingent resources. All of the Company's properties to which contingent resources are booked are located in Alberta.*

(2) *Contingent Resources are defined in the Canadian Oil and Gas Evaluation Handbook (“COGE Handbook”) as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. It is also appropriate to classify as Contingent Resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage.*

(3) *Pursuant to the COGE Handbook, there are three classification levels of Contingent Resource estimates: Low Estimate, Best Estimate and High Estimate. Best estimate is considered to be the best estimate of the quantity that will be actually recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the best estimate. All numbers in the table above are “Best Estimate”.*

(4) *Pursuant to the COGE Handbook, Contingent Resources are sub-classified based on project maturity. All Contingent Resources indicated in the 2018 Resource Evaluation have been sub-classified as "Development Pending", which applies in circumstances where resolution of the final conditions for development is being actively pursued and indicates a relatively high chance of development versus the other sub-classifications.*

(5)	*All Contingent Resources have been risked for chance of development. For Contingent Resources, the chance of development is the estimated probability of a project being commercially viable, and development proceeding in a timely fashion. Determining chance of development requires consideration of each applicable contingency and quantifying them so as to arrive at an overall development risk factor. In quantifying the chance of development for purposes of the 2018 Resource Evaluation, factors that were assessed quantitatively to be less than one in the development risk calculation included the economic status, the project evaluation scenario status, and the development time frame. The chance of development multiplied by the unrisked resource volume estimate yields the risked resource volume estimate. As many of these factors have a wide range of uncertainty and are difficult to quantify, the chance of development is an uncertain value that should be used with caution.*
(6)	*Continuous development through multi-year exploration and development programs and significant levels of future capital expenditures are required in order for additional resources to be recovered in the future. The principal risks that would inhibit the recovery of additional reserves relate to the potential for variations in the quality of the Montney formation where minimal well data currently exists, access to the capital required to develop the resources, low commodity prices that would curtail the economics of development and the future performance of wells, regulatory approvals, access to required services at an appropriate cost, and the effectiveness of well fracturing technology and applications. For Contingent Resources to be converted to reserves, Blackbird must ascertain commercial production rates, then develop firm plans, including with respect to timing, infrastructure and the commitment of capital. Confirmation of commercial productivity is generally required before the Company can prepare firm development plans and commit required capital for the development of the Contingent Resources. Additional contingencies relate to the current lack of infrastructure required to develop the resources in a relatively quick time frame. As continued delineation occurs, some resources currently classified as Contingent Resources are expected to be re-classified to reserves.*
(7)	*There is uncertainty that it will be commercially viable to produce any portion of these resources.*
(8)	*Natural Gas Liquids do not include Condensate.*
(9)	*Barrels of Oil Equivalent (BOE) based on a ratio of 6:1 for Natural Gas, 1:1 for Condensate and C5+, 1:1 for Ethane, 1:1 for Propane, and 1:1 for Butanes. BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

The estimated cost reflected in the 2018 Resource Evaluation to bring on commercial production from the Best Estimate Development Pending Contingent Resources for all four product types is approximately $1,833 million (when discounted at 10%, the estimated cost is approximately $668 million). The expected timeline to bring these resources on production is between the years 2021 and 2042. Best Estimate Development Pending Contingent Resources are expected to be recovered using the same technology of horizontal drilling and multi-stage fracturing that Blackbird has already proven to be effective in its Pipestone/Elmworth Montney play.

Blackbird anticipates announcing updated reserves data as at July 31, 2018, along with financial and operational results for the year then ended, before the end of November, 2018.

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 Pipestone/Elmworth, near Grande Prairie, Alberta.

For more information, please view our Corporate Presentation at www.blackbirdenergyinc.com or contact:

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Advisories

Forward-Looking Statements

This news release contains certain statements ("forward-looking statements") that constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements relate to future results or events, are based upon internal plans, intentions, expectations and beliefs, and are subject to risks and uncertainties that may cause actual results or events to differ materially from those indicated or suggested therein. 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", "continue", "estimate", "expect", "intend", "may", "will", "should", "believe", "plan", "objective", "potential" and similar or other expressions indicating or suggesting future results or events.

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

In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to: expansion of future processing capacity, the prospectivity of additional unbooked intervals on Blackbird’s lands, resolution of the final conditions for developing contingent resources, the conversion of contingent resources to reserves, the estimated cost to bring contingent resources on commercial production and the expected timeline to do so, future recovery techniques, and timing for announcement of updated reserves data as at July 31, 2018. In addition, references to reserves and resources are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the resources described exist in the quantities predicted or estimated.

With respect to the forward-looking statements contained in this news release, Blackbird has assessed material factors and made assumptions regarding, among other things: future commodity prices and currency exchange rates, including consistency of future oil, NGLs and natural gas prices with current commodity price forecasts; the Company's continued ability to obtain qualified staff and equipment in a timely and cost-efficient manner; infrastructure and facility design concepts that have been applied by the Company elsewhere in its Pipestone / Elmworth Project may be successfully applied to the properties; the predictability of future results based on past and current experience; the predictability and consistency of the legislative and regulatory regime governing royalties, taxes, environmental matters and oil and gas operations, both provincially and federally; the Company's ability to market production of oil, NGLs and natural gas successfully to customers; the timing and success of drilling and completion activities (and the extent to which the results thereof meet expectations); the Company's future production levels and amount of future capital investment, and their consistency with the Company's current development plans and budget; future capital expenditure requirements and the sufficiency thereof to achieve the Company’s objectives; the successful application of drilling and completion technology and processes; the applicability of new technologies for recovery and production of the Company's reserves and other resources, and their ability to improve capital and operational efficiencies in the future; the recoverability of the Company's reserves and other resources; the Company’s ability to economically produce oil and gas from its properties and the timing and cost to do so; the performance of both new and existing wells; future cash flows from production; future sources of funding for the Company's capital program; the Company's future debt levels; geological and engineering estimates in respect of the Company's reserves and other resources; the accuracy of geological and geophysical data and the interpretation thereof; the geography of the areas in which the Company conducts exploration and development activities; the timely receipt of required regulatory approvals; the access, economic, regulatory and physical limitations to which the Company may be subject from time to time; the impact of competition on the Company; and the Company's ability to obtain external financing when required and on acceptable terms.

The forward-looking statements contained herein reflect management's current views, but the assessments and assumptions upon which they are based may prove to be incorrect. Although Blackbird believes that its underlying assessments and assumptions are reasonable based on currently available information, undue reliance should not be placed on forward-looking statements, which are inherently uncertain, depend upon the accuracy of such assessments and assumptions, and are subject to known and unknown risks, uncertainties and other factors, both general and specific, many of which are beyond the Company's control, that that may cause actual results or events to differ materially from those indicated or suggested in the forward-looking information and statements. Such risks, uncertainties and other factors are discussed in the Company’s current annual information form , annual and interim management’s discussion and analysis, and other documents filed by it from time to time with securities regulatory authorities in Canada, copies of which are available electronically on SEDAR at www.sedar.com, and include, but are not limited to: volatility in market prices and demand for oil, NGLs and natural gas and hedging activities related thereto; general economic, business and industry conditions; variance of the Company's actual capital costs, operating costs and economic returns from those anticipated; the ability to find, develop or acquire additional reserves and the availability of the capital or financing necessary to do so on satisfactory terms; risks related to the exploration, development and production of oil and natural gas reserves and resources; negative public perception of oil and natural gas development and transportation, hydraulic fracturing and fossil fuels; actions by governmental authorities, including changes in government regulation, royalties and taxation; potential legislative and regulatory changes; the rescission, or amendment to the conditions of, groundwater licenses of the Company; management of the Company's growth; the ability to successfully identify and make attractive acquisitions, joint ventures or investments, or successfully integrate future acquisitions or businesses; the availability, cost or shortage of rigs, equipment, raw materials, supplies or qualified personnel; adoption or modification of climate change legislation by governments; the absence or loss of key employees; uncertainty associated with estimates of oil, NGLs and natural gas reserves and resources and the variance of such estimates from actual future production; dependence upon compressors, gathering lines, pipelines and other facilities, certain of which the Company does not control; the ability to satisfy obligations under the Company's firm commitment transportation arrangements; the uncertainties related to the Company's identified drilling locations; the high-risk nature of successfully stimulating well productivity and drilling for and producing oil, NGLs and natural gas; operating hazards and uninsured risks; the possibility that the Company's drilling activities may encounter sour gas; execution risks associated with the Company's business plan; failure to acquire or develop replacement reserves; the concentration of the Company's assets in the Pipestone / Elmworth Project area; unforeseen title defects; aboriginal claims; failure to accurately estimate abandonment and reclamation costs; development and exploratory drilling efforts and well operations may not be profitable or achieve the targeted return; horizontal drilling and completion technique risks and failure of drilling results to meet expectations for reserves or production; limited intellectual property protection for operating practices and dependence on employees and contractors; third-party claims regarding the Company's right to use technology and equipment; expiry of certain leases for the undeveloped leasehold acreage in the near future; failure to realize the anticipated benefits of acquisitions or dispositions; failure of properties currently held or acquired in the future to produce as projected and inability to accurately determine reserve and resource potential, identify liabilities associated with acquired properties or obtain protection from sellers against such liabilities; changes in the application, interpretation and enforcement of applicable laws and regulations; restrictions on drilling intended to protect certain species of wildlife; potential conflicts of interests; actual results differing materially from management estimates and assumptions; seasonality of the Company's activities and the Canadian oil and gas industry; alternatives to and changing demand for petroleum products; extensive competition in the Company's industry; lower oil, NGLs and natural gas prices and higher costs; failure of 2D and 3D seismic data used by the Company to accurately identify the presence of oil and natural gas; risks relating to commodity price hedging instruments; terrorist attacks or armed conflict; cyber security risks, loss of information and computer systems; inability to dispose of non-strategic assets on attractive terms; security deposits required under provincial liability management programs; reassessment by taxing authorities of the Company's prior transactions and filings; variations in foreign exchange rates and interest rates; third-party credit risk including risk associated with counterparties in risk management activities related to commodity prices and foreign exchange rates; sufficiency of insurance policies; potential litigation; variation in future calculations of non-IFRS measures; sufficiency of internal controls; breach of agreements by counterparties and potential enforceability issues in contracts; impact of expansion into new activities on risk exposure; inability of the Company to respond quickly to competitive pressures; and the risks related to the common shares and warrants that are publicly traded. This list is not exhaustive.

The forward-looking statements contained in this news release are made as of the date hereof and Blackbird assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. All forward-looking statements herein are expressly qualified by this advisory.

Contingent Resource Advisories

The resource estimates provided herein have been evaluated by McDaniel & Associates Consultants Ltd. ("McDaniel"), 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"), effective as of May 1, 2018. All resource information has been presented on a net basis, which is the Company's working interest (operating or non-operating) share after deduction of royalties, plus royalty interests. The resources have been categorized accordance with the applicable definitions as set out in the COGE Handbook. The discounted and undiscounted net present value of future net revenue attributed to the resources (whether or not risked) do not represent their fair market value, and there can be no assurance that such value will be realized.

The estimates of contingent resources provided herein are estimates only and there is no guarantee that the estimated contingent resources will be recovered. Actual contingent resources may be greater or less than the estimates provided in this news release, and the differences may be material. The estimates of contingent resources and future net revenue for individual properties may not reflect the same confidence level as estimates of contingent resources and future net revenue for all properties, due to the effects of aggregation. There is no assurance that the forecast price and cost assumptions applied by McDaniel in evaluating Blackbird's contingent resources will be attained and variances could be material. There is uncertainty that it will be commercially viable to produce any portion of the contingent resources described herein, or that Blackbird will produce any portion of the volumes currently classified as contingent resources.

Oil and Gas Measures

This news release discloses certain production information on a barrels of oil equivalent ("boe") basis with natural gas converted to barrels of oil equivalent using a conversion factor of six thousand cubic feet of gas to one barrel of oil (6:1). Condensate and other NGLs are converted to boes at a ratio of 1 bbl:1 bbl. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based roughly on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the Company's sales point. Although the 6:1 conversion ratio is an industry accepted norm, it is not reflective of price or market value differentials between product types. Based on current commodity prices, the value ratio between crude oil and natural gas is significantly different from the 6:1 energy equivalency ratio. Accordingly, using a conversion ratio of 6 mcf:1 bbl may be misleading as an indication of value.

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