

Blackbird Energy Inc.

Montney Formation Opportunity



December, 2011

Blackbird Energy Inc.

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Blackbird Energy Inc.

Recent Announcements

BLACKBIRD ANNOUNCES SUCCESSFUL COMPLETION OF BIGSTONE WELL WITH IPT OF 1,011 BOE/DAY October 20, 2011

Blackbird Energy Inc. (TSX-V: BBI), is pleased to announce that the Bigstone, Montney Formation horizontal well, Donnybrook HZ Bigstone 14-29-60-22W5 (the "Bigstone Well"), has been successfully completed and flow tested. On October 12, 2011, a 240 ton, 12 stage continuous fracture treatment along the 1254 meter lateral leg of the Bigstone Well (horizontal portion) was carried out over a 6 hour period. Immediately after, the Bigstone Well was flowed for cleanup and subsequently flow tested for approximately 4 days and is currently shut-in for build up. After clean-up, the Bigstone Well produced gas and condensate over the last 24 hours of the test at approximately 4.3 million cubic feet per day (mmcf/day) and 295 barrels per day (bbls/day) of condensate (1011 barrels of oil equivalent per day, boe/day).

BLACKBIRD ENERGY PROVIDES DRILLING UPDATE ON BIGSTONE MONTNEY WELL AND ANNOUNCES CLOSING OF THIRD AND FINAL TRANCHE OF PRIVATE PLACEMENT December 15, 2011

Blackbird Energy Inc. is pleased to announce that the DEI Bigstone Hz 15-32-60-22 W5M well (25% working interest to Blackbird) has been drilled to total vertical depth, including the build section, being the process of gradually increasing the drilling slant angle from vertical to horizontal, into the Montney formation. Intermediate casing is currently being installed and cemented into place, subsequent to which drilling of the 2,500 meter lateral through the Montney formation will commence. The drilling program calls for the well to be drilled to a total measured depth of approximately 5,150 meters from surface location 3-29-60-22W5, cased and prepared for completion and fracing operations within an approximate 35 day time frame. The project operations are currently progressing within the targeted time frame and budget.

Blackbird Energy Inc. Montney Fairway

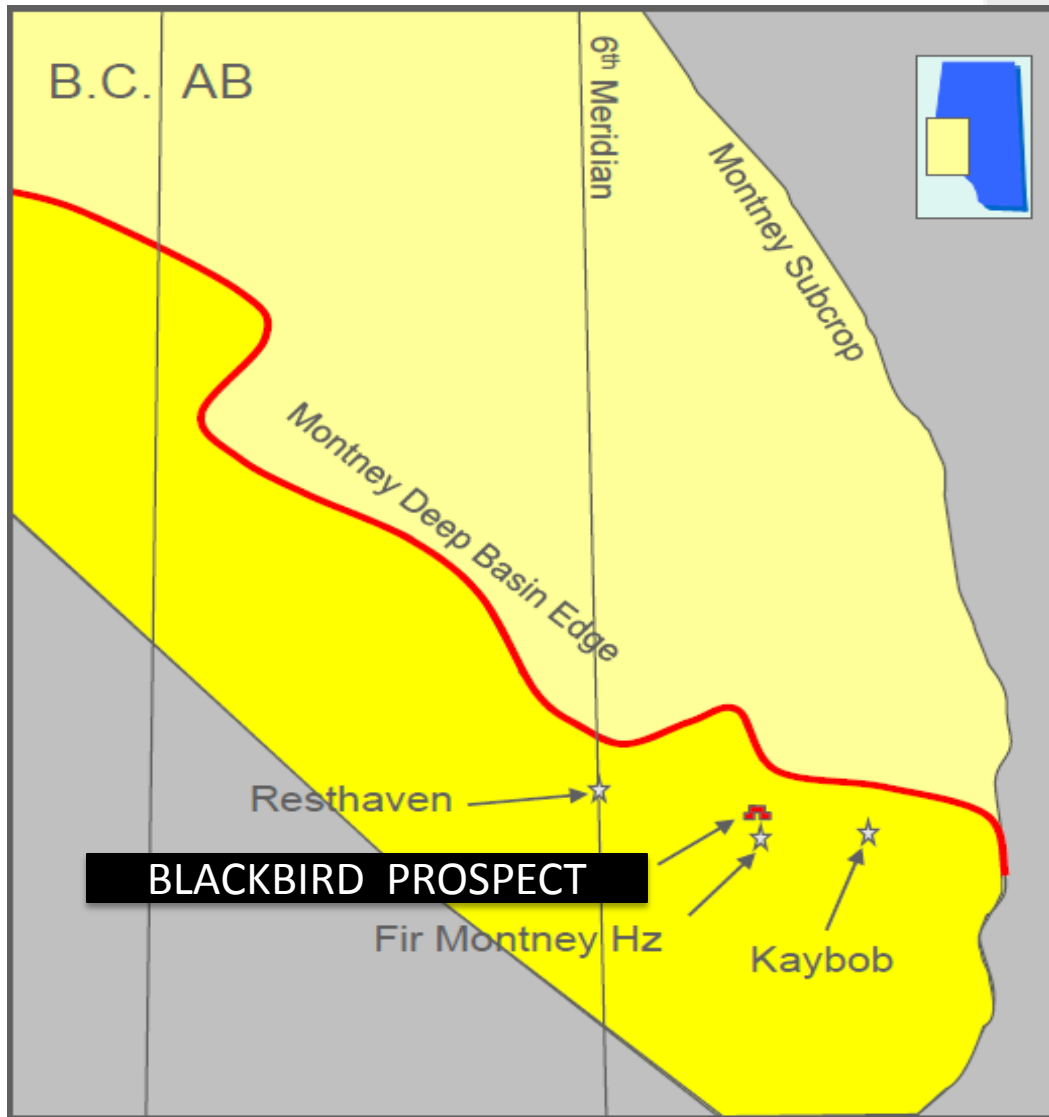


The Montney Formation is a NW-SE trending, football shaped formation that straddles the border between British Columbia and Alberta.

The Montney Formation is becoming increasingly attractive because it is recognized as a thick, highly pressurized formation with a lot of recoverable reserves of natural gas and with a high “NGL” content

It is estimated that the Montney Formation has 50 Trillion cubic feet of natural gas.

BLACKBIRD'S BIGSTONE MONTNEY PROJECT



Farmin on 7 sections totalling 4,480 gross acres/1,120 net acres.

Blackbird will earn 25% of the Bigstone project and in any future operations within an Area of Mutual Interest. 27 additional drill locations

Geological factors that are making the Montney an industry focus:

1. High amounts of natural gas liquids through much of the trend.
2. Intermediate depth.
3. Very fraccable rock
4. Flat declines relative to other shale plays (VERY important for valuations).
5. Very high Estimated Ultimate Recoveries (EUR).

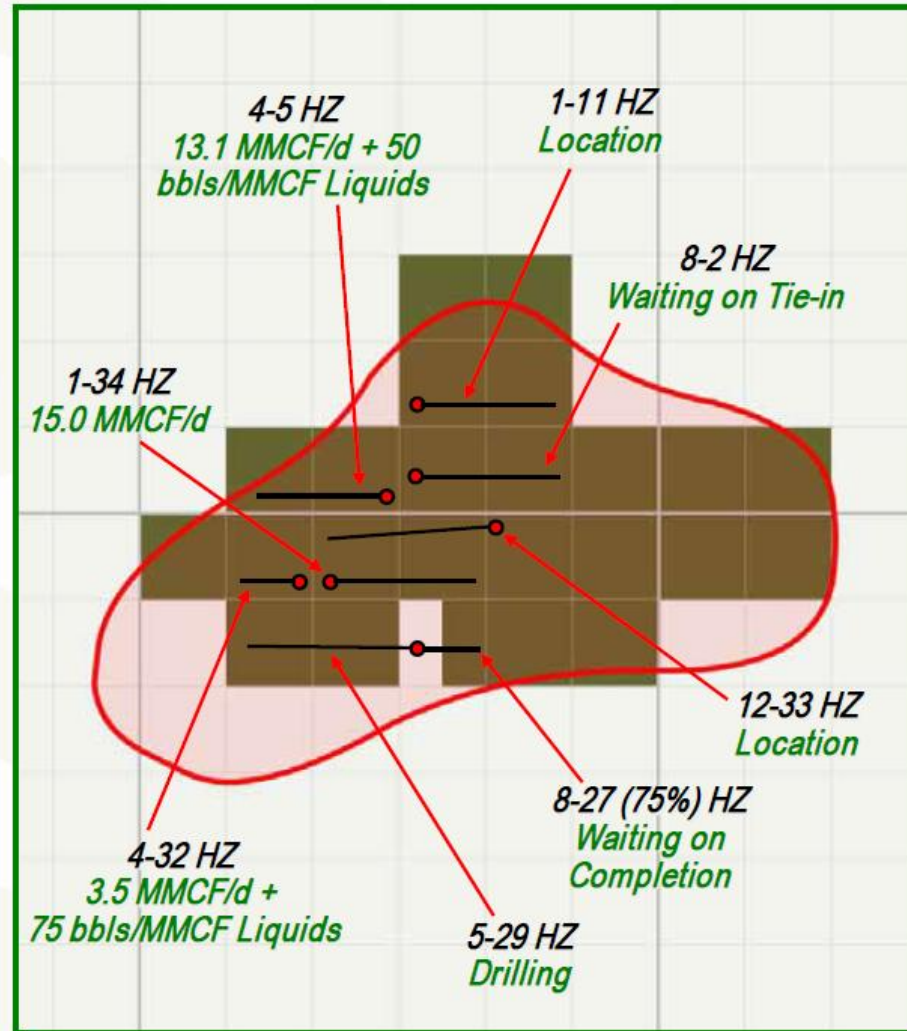
Drilling Activity to the south of Blackbird's Bigstone Lands

Celtic is expanding their processing capacity to 30.0 million cubic feet per day plus condensate handling of 1,250 barrels per day.

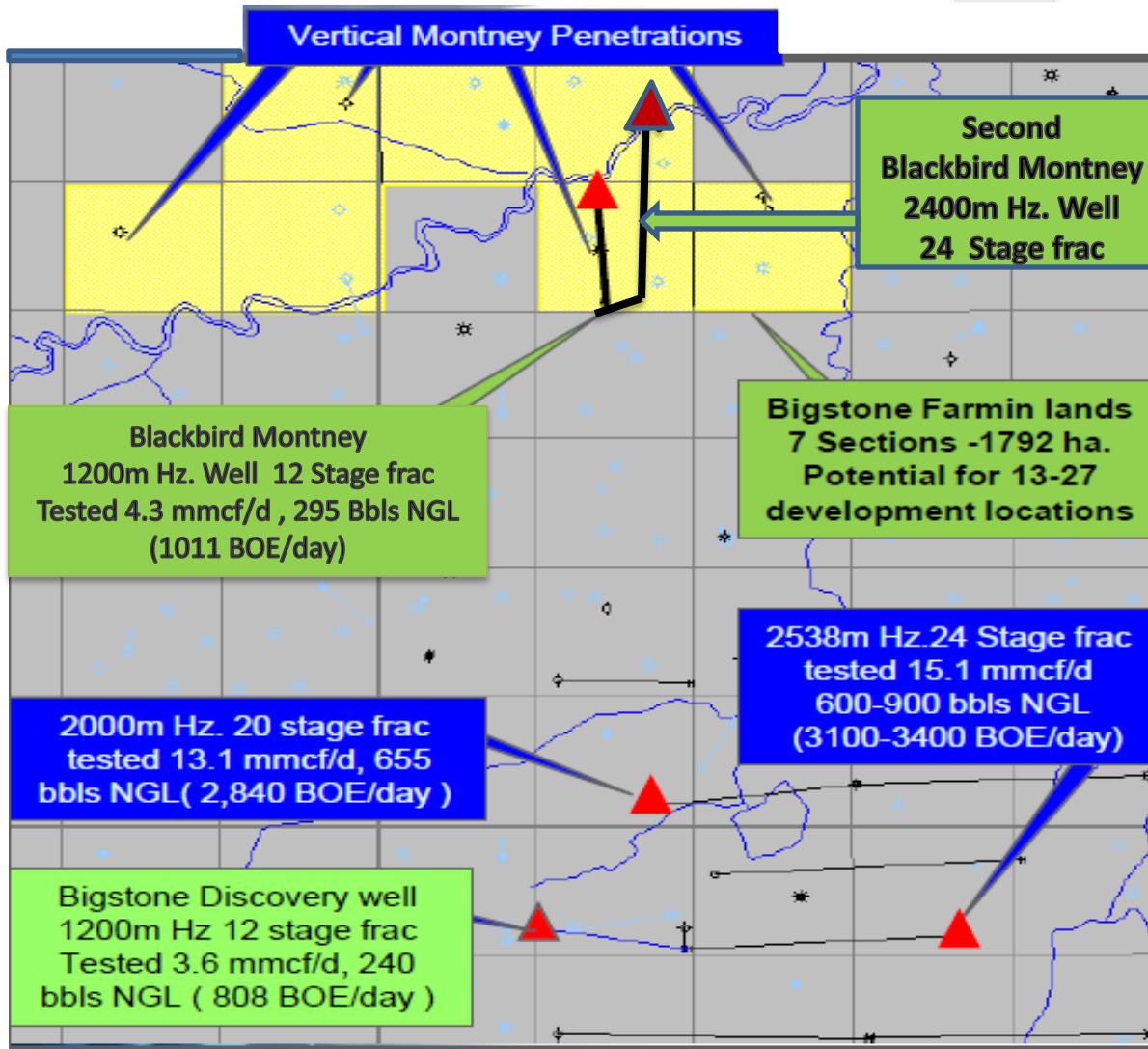
Fir - Montney

- **Land** (Dec/31/10)
15,040 acres (100%)
→ 23.5 net sections
- **Reservoir Characteristics**
 - liquids-rich natural gas and condensate
 - similar reservoir characteristics to Kaybob
- **Drilling Potential**
 - 4 wells per section

■ Celtic Land 📍 Pool



Development with 2000 - 2600M Hz Wells could increase initial production 300 – 400% and decrease development costs 40%



Bigstone Prospect

- 7 sections Montney Rights
- 4 Existing Vertical Wells
- Up to 4 wells per section

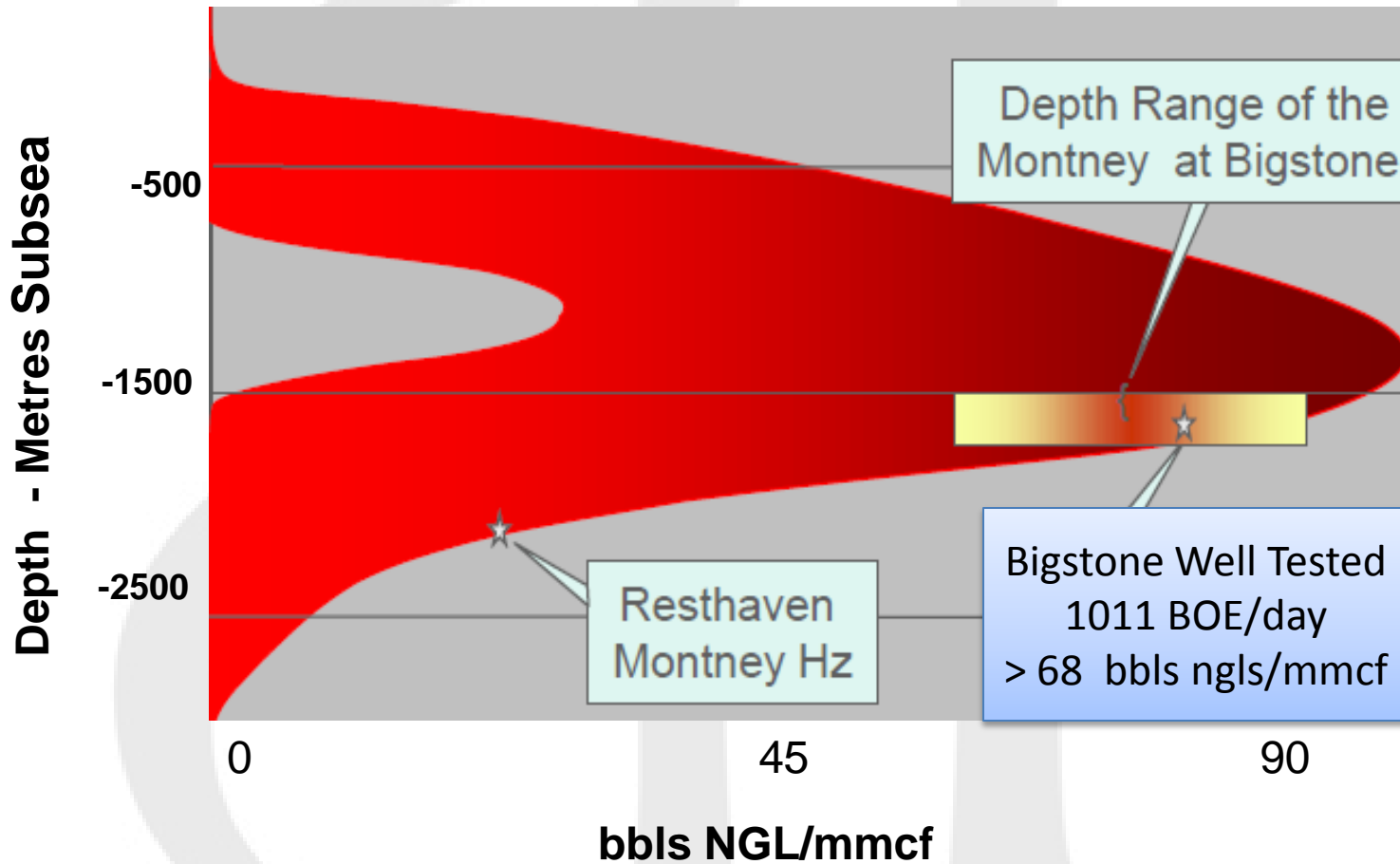
Infrastructure

- Close to existing gas plants and pipeline infrastructure

Terms for 25% W.I. APO

- Pay 25% of Land cost = \$66,000
- Drill Earning Well. 37.5% C.I.
- Earn 37.5% BPO subject to 10% ORR and 2% GORR
- APO 25% W.I. Subject to 2% GORR
- 25% interest in 7 sections
- Potential for up to 28 development wells

Blackbird Energy Inc. Bigstone Montney Prospect



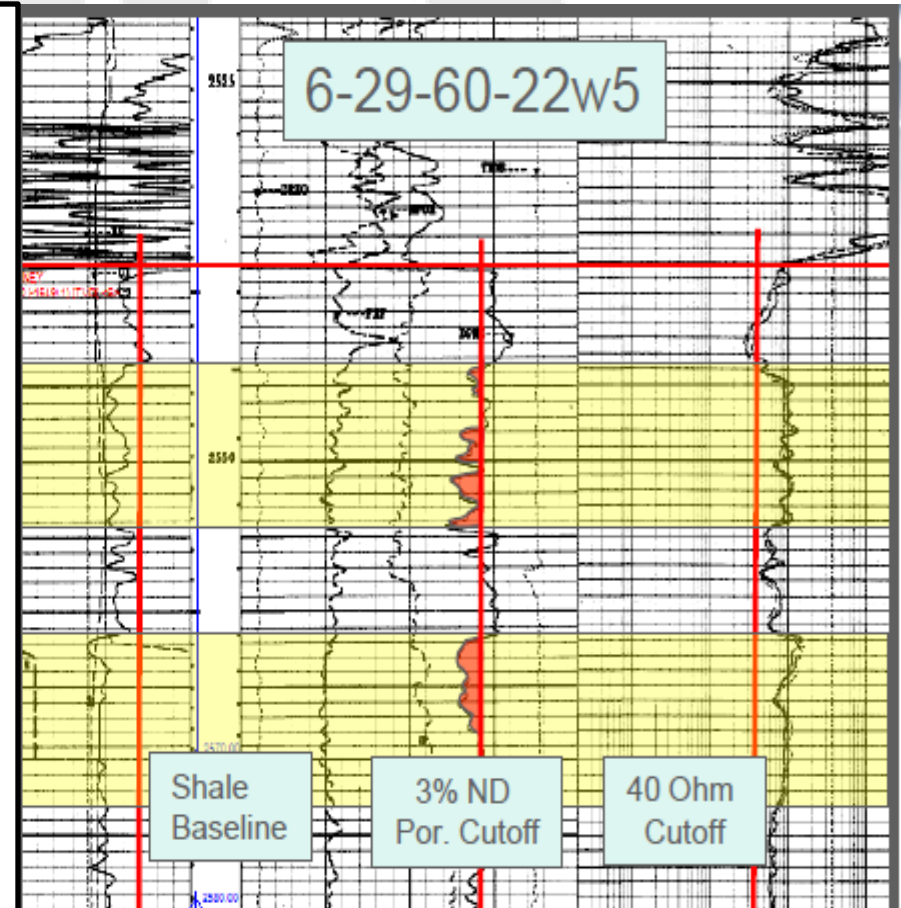
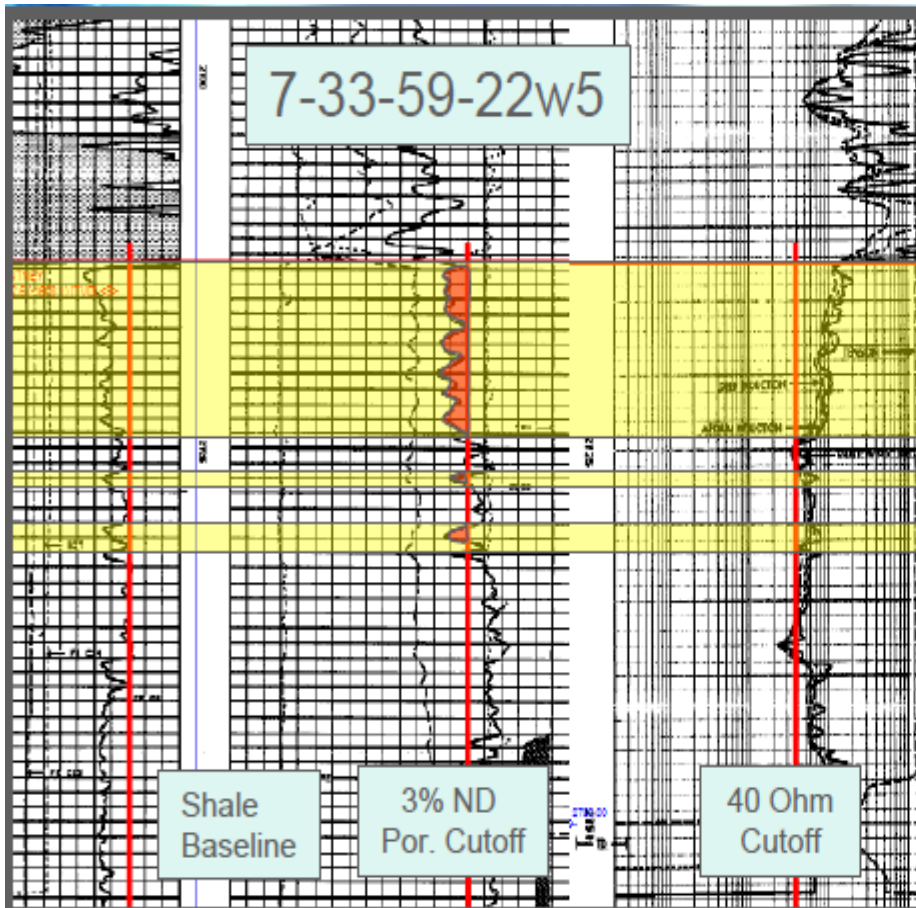
Bigstone Montney Prospect

- Bigstone area ideally situated to encounter high NGL rich gas

- Recent exploration results at Fir confirm the potential for a high liquids natural gas resource play in the Montney Formation at Bigstone

Bigstone Well IP tested 123% (Gas), 112% (NGL's) greater than Celtic's 4-32 well,

FIR AND MONTNEY VERTICAL WELLS



Fir Vertical well offset to the Montney HZ discovery well that tested 3.5 mmcf/d and 240 b/d of light oil and NGL's

Bigstone Vertical well offset to the Donnybrook HZ 14-29-60-22w5 that Tested 4.3 mmcf/d and 295 b/d cond.

Drilling Economics for a Hypothetical Well: Bigstone Montney HZ

AECO Gas Price (\$ / GJ)	\$3.65	\$4.65	\$5.65
Wellhead Gas Price (\$ /Mcf)	\$4.31	\$5.49	\$6.68
Gas Reserves (BCF) —→ 75% of combined	5.3	5.3	5.3
NGL Reserves (Mbbbls) —→ 25% of combined	302	302	302
Combined Reserves (MMBOE)	1.2	1.2	1.2
NPV @ 10% BT (\$MM)	\$11.8	\$15.1	\$17.9
Internal Rate of Return (IRR) BT	141%	210%	308%

Assumptions:

- Constant selling natural gas & NGL price for the life of the well.
- NGL pricing based on WTI at US \$82.50/bbl and US/CAD exchange at US\$0.9755, resulting in an average liquids wellhead price of \$72.93/bbl.
- NGL content is 50 bbls/mmcf of raw gas (C5+ =62%;C4 = 18% & C3 = 20%) with sales gas heat content of 1,120 btu/scf.
- Half-cycle economics: NPV is after drill and complete expenditures of \$6.2 mm.
- Royalties have been reduced for GCA and for current Alberta royalty incentive program.

Unconventional Gas Play Comparison

Play Type	Average Vertical Depth	Average Net Pay	Average Porosity	Average Permeability	Water Saturation	TOC	OGIP	Recovery Factor	Approx. EUR	Avg. Cost per Well
	[m]	[m]	[%]	[md]	[%]	[%]	[Bcf/Sec]	[%]	[BCF/Well]	[MM\$/well]
<i>Tight Gas</i>										
Cardium	2,400	10-15	9%	0.05 - 0.5 md	15-20%	n/a	10 - 15 Bcf	50	2 - 3	\$4 - 6
Wilrich/Falher	2,700	5-15	6-9%	0.05 - 0.5 md	35 - 40%	n/a	5 - 15 Bcf	50	3 - 5	\$5 - 7
Cadomin	3,200	5-30	3 - 9%	0.2 - 5 md	20%	n/a	15 - 25 Bcf	50	3 - 5	\$5 - 7
Montney	3,000	20 - 100	3 - 10%	0.01 - 0.1 md	30%	n/a	40 - 120 Bcf	40	2 - 5	\$5 - 10
<i>Shale Gas</i>										
Horn River	2,600	125 - 150	3 - 4.5%	n/a	<35%	3-6	100 - 265 Bcf	20 - 30%	8 - 12	\$10 - 20
Barnett	1,650 - 2,950	30 - 215	3 - 7%	n/a	25 - 35%	3-8	30 - 210 Bcf	20 - 30%	4 - 6	\$4 - 6
Haynesville	3,200 - 4,100	45 - 105	8 - 12%	< 1 md	15 - 20%	2-3	150 - 250 Bcf	20 - 30%	4 - 8	\$7 - 10

Blackbird Energy Inc.

The Board of Directors / Management Team

Garth Braun – CEO and Director: Mr. Braun brings to the company more than 22 years of diversified real estate, finance and oil and gas industry experience in operations, finance and strategic planning. Mr. Braun gained extensive experience in the operations of an international oil and gas company where he served as CEO and Chairman.

David Finn – Director: Mr. Finn is a petroleum consultant who has been active in the oil & gas business for over 30 years. He began his oil and gas career as an employee with Amoco Canada Petroleum Company Ltd. in the geological and engineering departments where he was involved in petrophysical and economic analysis of company interests in the Western Canadian sedimentary basin. Mr. Finn has consulted primarily to Gilbert Lausten Jung Associates Ltd. ("GLJ") -- one of Canada's most respected oil & gas engineering firms. As a consultant to GLJ he provided evaluation services for new emerging public and private companies including preparation of reports for securities and financial institutions, property acquisition/disposition analysis and drilling prospect reviews. Properties evaluated included most of the conventional oil and gas areas of the Western Canadian sedimentary basin, shallow gas reservoirs of southeastern Alberta and non conventional basin centered gas reservoirs of the Green River Basin, Wyoming.

Dennis Paterson – COO and Director: Mr. Paterson has more than 30 years of international oil and gas exploration and production experience in diverse areas, including China, the Middle East, Central and South East Asia, Kazakhstan, Europe and North and West Africa. From 2006 until 2009, Mr. Paterson was the President of ROC Oil (Bohai) Company in Beijing and an executive director of its parent company ROC Oil Company Limited from 2007 until 2009.

William Macdonald – President & Director: Mr. Macdonald's general corporate and securities practice has been focused on Canadian, U.S., Asian and cross-border public offerings, private and institutional financings (including U.S. private investment in public equity, or PIPE transactions), stock exchange listings, reverse takeovers and mergers and acquisitions.

Management is aligned with Shareholder's interest as it does not draw salaries or bill overheads, but targets economic gains via share accretion along with our shareholders

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Summary – Opportunity Overview

- The Deep Basin Montney Resource play in Alberta is economically competitive with any play in North America and the Montney Play is well established.;
- Significant volumes of natural gas liquids associated with dry gas production;
- Acquired interests in 7 gross sections of Montney rights prospective for liquid-rich natural gas. 13 – 27 additional well locations;
- Early cash flow potential and easy tie-in due to extensive infrastructure in the immediate area;
- Geologic risk has been reduced in the Bigstone Project by the recent drilling of Bigstone well, DEI HZ 14-29-60-22W5 and other industry successes;
- Q2 2012 projected target production rate of 1,000 – 1,100 boe/day;
- Consolidation of industry participants has taken place and will continue.

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Common Share Information

Stock Exchange	TSXV
Trading Symbol	BBI
Market Capitalization (October 31/11)	\$12,161,253
Common Shares Issued	60,806,266
Fully Diluted	85,360,848
Insiders/Affiliates Ownership (FD)	17,468,956
Insiders/Affiliates Ownership %	20%

The background features two large, faint, stylized letters, 'B' and 'D', rendered in a light gray color. The 'B' is on the left and the 'D' is on the right, both with a classic, slightly decorative font style. The 'B' has a small dot on its upper left curve, and the 'D' has a small dot on its upper right curve. The letters are positioned behind the main text.

Thank You