Cautionary Statements

FORWARD-LOOKING STATEMENTS: This presentation 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 historical fact are forward-looking statements. Forward-looking statements typically contain words such as "anticipate", "believe", "plan", "continuous", "estimate", "expect", "may", "will", "project", "predict", "targeting", "seek", "intend", "could", "potential", "scheduled", "should", "outlook" or similar words suggesting future outcomes. In particular, this presentation contains forward-looking statements pertaining to our business plans and strategies, capital expenditure and drilling programs; methods, ability and timing to finance capital expenditure programs; anticipated oil and gas production levels; future oil and gas prices and their impact on BlackPearl, future costs including operating and administrative costs and royalty rates; future cash flows and net income; future asset dispositions, corporate guidance for 2012; net asset value calculations; and estimated volumes of reserves that could be converted to reserves in 2012.

In addition, statements relating to “reserves” or “resources” are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and can be profitably produced in the future.

The forward-looking statements in this presentation 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 the 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; 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 Corporation’s 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 presentation 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.

RESOURCES: There are significant differences in the criteria associated with the classification of reserves and contingent resources. Contingent resource estimates involve additional risk, specifically the risk of not achieving commerciality, not applicable to reserves estimates. There is no certainty that it will be commercially viable to produce any portion of the resources. No adjustments for these risks have been made in the groupings of reserves and recoverable resources. The estimates of reserves and resources and future net revenue from individual properties may not reflect the same confidence level as estimates of reserves and resources and future net revenues for all properties, due to the effects of aggregation.

BOE’s: All references to BOEs are based on a 6 to 1 conversion ratio. BOEs may be misleading, particularly if used in isolation. A BOE conversion 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.

NON-GAAP MEASURES: This presentation uses the terms “Cash flow from operations” and “cash flow” which represent cash flow from operating activities before working capital adjustments.
Corporate Snapshot

Market Capitalization
• Current Market cap of $1.2 billion
• Shares O/S – Basic 285 million
  – Fully Diluted 313 million
• Management ownership 7% (12% fully diluted)

Reserves & Resources
• 2P Reserves – 36 mmboe, $637 million (10% Btax)
• Best Estimate Resources – 752 mmboe, $3.6 billion (10% Btax)
  (as of December 31, 2011)

Production
• Current Production ≈ 10,000 bbls/day
• Potential Production 80,000+ bbls/day

Financial
• $22 million in working capital (March 31, 2012)
• No debt, undrawn $115 million bank facility
• No additional financing required for 24+ months
Company Strengths

Established Heavy Oil / Oil Sands Resource Base
- Oil production from all three of our core areas
- Using existing technology to exploit, will use new technologies to enhance recovery
- Operating in established reservoirs enhances performance predictability

Proven Management
- Technical team has worked successfully together since 1992
- Increased BlackRock Ventures production from 0 to 16,000 bbls/day; sold for $2.5 billion
- Developed and sold over 25,000 bbls/d of heavy oil at Koch Exploration

Strong Financial Position
- With no debt, BlackPearl has flexibility in developing a financing strategy for its large thermal projects
- Existing production provides a significant source of cashflow to fund development
- Management has a track record of raising capital

Attractive Economics
- Top quartile reservoir quality dictates economic performance
- Our projects are economic at WTI oil prices of $50 – 65 US
Core Areas

Our three core areas have common characteristics: lots of oil in place; BlackPearl operated; high working interests, and resource exploitable with proven technology.

### Core Area Profile

<table>
<thead>
<tr>
<th>Core Areas</th>
<th>2P Reserves (mmbbls)</th>
<th>Contingent Resource (mmbbls)</th>
<th>WI</th>
<th>Operator</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onion Lake</td>
<td>14</td>
<td>67</td>
<td>85%</td>
<td>PXX</td>
<td>Conventional wells SAGD</td>
</tr>
<tr>
<td>Mooney</td>
<td>16</td>
<td>37</td>
<td>100%</td>
<td>PXX</td>
<td>Horizontal wells Polymer flood</td>
</tr>
<tr>
<td>Blackrod</td>
<td>2</td>
<td>648</td>
<td>100%</td>
<td>PXX</td>
<td>SAGD</td>
</tr>
</tbody>
</table>

(1) As per Sproule reserves evaluation as at December 31, 2011
(2) Best estimate recoverable resource as per contingent resources study prepared by Sproule Unconventional Limited dated December 31, 2011
Onion Lake – Conventional Development

- Oil Quality: 11° API

<table>
<thead>
<tr>
<th>Quality</th>
<th>Production</th>
<th>Reserves (1)</th>
<th>Resources (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11° API</td>
<td>≈6,700 bopd</td>
<td>14 mmbbls</td>
<td>4 mmbbls</td>
</tr>
</tbody>
</table>

- Onion Lake’s current production represents 70% of BlackPearl’s total production

- Over 200 future drilling locations assigned by Sproule in the 2P and 2C cases; potential to increase locations with future delineation drilling

- Typical well IP ≈ 60 – 75 bbls/day; capex of $0.6 million per well

- Plan to continue development over the next five years; 40 – 50 wells planned in 2012

(1) As at December 31, 2011 as per Sproule report

(2) Best estimate recoverable resource as per contingent resources study prepared by Sproule Unconventional Limited dated December 31, 2011
Onion Lake – SAGD Development

- Oil Quality Current Production 2P Reserves (1) 2C Resources (2)
- 11° API - - 63 mmbbls
- Net pay on a portion of the Onion Lake lands is 10 m – 25 m, making it suitable for thermal development
- Submitted a 12,000 bbl/d SAGD commercial development application in 2011; approval expected in 2012
- Recovery rates in excess of 60% anticipated, with an SOR of 2.5 – 3.0

(1) As at December 31, 2011 as per Sproule report
(2) Best estimate recoverable resource as per contingent resources study prepared by Sproule Unconventional Limited dated December 31, 2011
Mooney – ASP\(^{(3)}\) Flood

- **Oil Quality**
  - Current: 16° API
  - Production: \(\approx 2,500\) bopd*
  - Reserves: 16 mmbbls
  - Resources: 37 mmbbls
  - *approx. 500 bopd in the flood area

- **EOR techniques** key to enhancing value of this property; recovery rates are expected to increase from 4% to 25%

- **Phase 1** ASP flood initiated in Q3 2011; response expected by the end of 2012; peak production of 3,000 – 4,000 bbls/d anticipated from Phase 1

- **Conventional drilling** on Phase 2 lands started in 2010/11 and will continue in 2012/13

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(1) As at December 31, 2011 as per Sproule report
(2) Best estimate recoverable resource as per contingent resources study prepared by Sproule Unconventional Limited dated December 31, 2011
(3) Alkali, Surfactant, Polymer
Mooney – ASP Flood

Current Activities
• Construction of heavy oil battery – operational mid-year
• Drill 15 – 20 horizontal wells on Phase 2 lands

Future Plans
• Continue Phase 2 drilling, convert to ASP flood, potential of 4,000 – 6,000 bopd
• Extend road and pipeline infrastructure to Phase 2 lands
- Expected response time of ASP flood is 18 – 24 months
- Production response should see wells return to, or above, their IP rates
- Production should be flat for 24 – 36 months, followed by low decline rates
Blackrod – SAGD Oil Sands Project

- Oil Current 2P 2C
  Quality Production Reserves (1) Resources (2)
  9° API >400 bopd 2 mmbbls 648 mmbbls

- Located in the Athabasca Oil Sands region
- Lower Grand Rapids formation at a depth of approximately 300 metres; 10-26 metres of net pay
- Blackrod to be developed in phases – total potential of 80,000 bbls/day
- Grand Rapids formation is generating a lot of interest from industry – planned projects have the potential to produce over 500,000 bbls/day

(1) As at December 31, 2011 as per Sproule report;
(2) Best estimate recoverable resource as per contingent resources study prepared by Sproule Unconventional Limited dated December 31, 2011
Blackrod – Pilot Progress

Producing over 400 bopd after 10 months of steam injection; instantaneous SOR under 3

Performance is exceeding model expectations

Target production of 500+ bbls/day in the next six to twelve months

Pilot to be expanded with an additional well pair and minor expansion of steam and water handling facilities
Blackrod – Commercial Development

- 80,000 bbl/day commercial development application filed in May 2012
- Project to be built in phases, with the first phase planned for 20,000 bbl/day; two additional phases of 30,000 bbl/day each to follow
- Application approval expected in 18 – 24 months
- Phase 1 capital cost estimate of $35,000 – 40,000/flowing bbl
- Filing application is key step in having reserves recognized on the project
2012 Expected Technical Milestones

**Onion Lake**
- Continue primary development – our largest source of cash flow
- Regulatory approval for commercial SAGD project
- Thermal reserves being booked on the project (30 – 50 mmbbls)

**Mooney**
- Production response from Phase 1 of the ASP flood; moving barrels from resource to reserves
- Continued drilling phase 2 lands; preparing for ASP flood expansion

**Blackrod**
- SAGD pilot reaching its target production of 500+ bbls/day
- Filing of the 80,000 bbls/day commercial project application
- Having 150 – 175 mmbbls reserves recognized on the project
- Commence detailed engineering work
Potential Production Profile

- Full development of existing properties could see production reach over 80,000 bbls/d
- Potential to reach 30,000 bbls/d by 2016

(1) As per the Sproule reserves and “best estimate” contingent resource reports dated December 31, 2011
2012 Guidance

Production

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Year average (boe/d)</td>
<td>10,000</td>
</tr>
<tr>
<td>Year-end exit (boe/d)</td>
<td>11,000 – 12,000</td>
</tr>
</tbody>
</table>

Financial

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditures ($mm)</td>
<td>145 – 155</td>
</tr>
<tr>
<td>Cash flow from operations ($mm)</td>
<td>100 – 105</td>
</tr>
<tr>
<td>Per Share</td>
<td>0.36</td>
</tr>
<tr>
<td>Y/E Working Capital ($mm)</td>
<td>2 – 4</td>
</tr>
<tr>
<td>Debt ($mm)</td>
<td>5 – 6</td>
</tr>
<tr>
<td>Net Earnings ($mm)</td>
<td>10 - 15</td>
</tr>
</tbody>
</table>

*Pricing assumptions used for 2012 include WTI oil price of $100/bbl, light/heavy differential of $20/bbl and CDN/US exchange rate of $1.00*
1. The ongoing development of our conventional reserves at Onion Lake and Mooney will be funded from cash flow. We are developing a financing strategy to add 20,000 bbls/d of thermal production by 2016.

2. No additional funding required for the next 24 months. Credit facility expanded to $115mm

3. The funding requirements in 2014 and 2015 will likely be satisfied by a combination of:
   - Non-core asset sales
   - Term debt
   - Equity
   - Potential sale of one of the core properties

* Pricing assumptions used for 2013-2015 include a WTI oil price of US $90/bbl; light to heavy differential of US $18/bbl and a Cdn/US exchange rate of 0.98
PXX Shares – Net Asset Value

1) Estimated Net Asset Value

<table>
<thead>
<tr>
<th>Description</th>
<th>Per FD Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2P Reserves @ 10% Btax (1)</td>
<td>$2.09</td>
</tr>
<tr>
<td>Contingent Resource (2) @ 10% Btax</td>
<td>$11.82</td>
</tr>
<tr>
<td>Other (land, working capital, etc.)</td>
<td>$0.26</td>
</tr>
</tbody>
</table>

\[ $14.17 \]

2) Market Cap @ $4.00/share

<table>
<thead>
<tr>
<th>Description</th>
<th>Value Placed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: 2P Reserves (1)</td>
<td>0.7</td>
</tr>
<tr>
<td>Other</td>
<td>0.1</td>
</tr>
<tr>
<td>Value placed on contingent resource</td>
<td>$0.4 billion</td>
</tr>
<tr>
<td>or</td>
<td>$0.53/bbl</td>
</tr>
</tbody>
</table>

**Net Asset Value ($/share)**

- **Current share price**: $4.00
- **Market Cap @ $4.00/share**: $1.2 billion
- **Less: 2P Reserves (1)**: 0.7
- **Other**: 0.1
- **Value placed on contingent resource**: $0.4 billion
- **or**: $0.53/bbl

(1) As per Sproule December 31, 2011 reserve evaluation discounted at 10% Btax
(2) As per Sproule December 31, 2011 “best estimate” contingent resource assessment for Blackrod, Mooney and Onion Lake discounted at 10% Btax

- At a current price of ≈ $4.00/share, we are trading at just under 30% of unrisked NAV (PV10% Btax)
- Key to enhanced value recognition – Convert Resource into Reserves
## Converting Resource Into Reserves

<table>
<thead>
<tr>
<th>Resource (mmbbls) (1)</th>
<th>Steps Required for Initial Recognition of Reserves</th>
<th>Anticipated Initial Reserves Recognition in 2012 (mmbbls)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackrod 648</td>
<td>• Commercial project application filed in Q2 2012</td>
<td>180 (3)</td>
</tr>
<tr>
<td>Onion Lake 67</td>
<td>• Commercial project approval</td>
<td>30 – 50 (2)</td>
</tr>
</tbody>
</table>
| Mooney 37             | • Phase 1 performance  
• Phase 2 project approval 
• More delineation drilling | 0 – 10 (2)                                          |

(1) As per the Sproule “best estimate” contingent resource reports dated December 31, 2011  
(2) Estimates only. Amounts transferred to reserves will be established by Company’s independent reservoir engineers  
- Sproule  
(3) As per Sproule’s report dated May 31, 2012 related to the Blackrod property.
What Could Go Wrong

Uncontrollable

- Oil Prices: when WTI <$60, we do not get a return; when WTI <$35, we do not have cash flow
- Government and Regulatory: our only defense is maintaining a low cost structure
- Oil Sands Infrastructure: we have no significant advantage

Controllable

- Inflation: we are susceptible to inflation pressure, but good project management can offset the effects
- People: our success has always allowed us to attract the best people
- Lack of Future Funding: we are able to gear down development on our core projects
- Resource and Project Performance: we have limited this risk by our experience, pilot results and our understanding of the analog projects
Reasons to Invest

In Summary, BlackPearl provides:

- Disciplined, experienced heavy oil management team
- Large high quality, high impact oil properties
- Well defined growth plans
Appendix
Large Resource Base

- Focused Development
  - 3 Core Properties

- Well Defined Resource
  - Relatively narrow range between high and low estimates

- No significant technical contingencies
  - Ability to reclassify from resource to reserves

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<table>
<thead>
<tr>
<th>Contingent Resource (MMbbls)</th>
<th>0%</th>
<th>5%</th>
<th>8%</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low estimate (P90)</td>
<td>16,682</td>
<td>7,004</td>
<td>4,364</td>
<td>3,233</td>
</tr>
<tr>
<td>Best estimate (P50)</td>
<td>20,432</td>
<td>8,113</td>
<td>4,936</td>
<td>3,610</td>
</tr>
<tr>
<td>High estimate (P10)</td>
<td>25,055</td>
<td>9,517</td>
<td>5,719</td>
<td>4,170</td>
</tr>
</tbody>
</table>

1) Definitions of each of the resource categories and the pricing assumptions used is included in the appendix to this presentation

2) These volumes are arithmetic sums of multiple estimates of contingent resources, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as explained. Please refer to the Company’s Annual Information Form for a breakdown of volumes and values by individual property.
Contingent Resource Definitions

• Contingent Resources are defined in the 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.

• Best estimate (P50) is a classification of estimated resources described in the COGE Handbook as being 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.

• Low estimate (P90) is a classification of estimated resources described in the COGE Handbook as being considered to be a conservative estimate of the quantity that will be actually recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the low estimate.

• High estimate (P10) is a classification of estimated resources described in the COGE Handbook as being considered to be an optimistic estimate of the quantity that will be actually recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the high estimate.
The price forecasts and assumptions that formed the basis for the revenue projections in the Sproule assessment was based on Sproule’s pricing models as of December 31, 2011. A summary of selected items from these pricing models are set forth below.

<table>
<thead>
<tr>
<th>Year</th>
<th>WTI Cushing 40° API</th>
<th>Edmonton Par Price 40° API</th>
<th>Western Canada Select 20.5° API</th>
<th>Alberta AECO-C Spot</th>
<th>Inflation rate (%/yr)</th>
<th>Exchange rate (US$/CDN$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>98.07</td>
<td>96.87</td>
<td>82.34</td>
<td>3.16</td>
<td>2.0</td>
<td>1.012</td>
</tr>
<tr>
<td>2013</td>
<td>94.90</td>
<td>93.75</td>
<td>79.69</td>
<td>3.78</td>
<td>2.0</td>
<td>1.012</td>
</tr>
<tr>
<td>2014</td>
<td>92.00</td>
<td>90.89</td>
<td>77.25</td>
<td>4.13</td>
<td>2.0</td>
<td>1.012</td>
</tr>
<tr>
<td>2015</td>
<td>97.42</td>
<td>96.23</td>
<td>81.80</td>
<td>5.53</td>
<td>2.0</td>
<td>1.012</td>
</tr>
<tr>
<td>2016</td>
<td>99.37</td>
<td>98.16</td>
<td>83.44</td>
<td>5.65</td>
<td>2.0</td>
<td>1.012</td>
</tr>
<tr>
<td>2017</td>
<td>101.35</td>
<td>100.12</td>
<td>85.10</td>
<td>5.77</td>
<td>2.0</td>
<td>1.012</td>
</tr>
<tr>
<td>2018</td>
<td>103.38</td>
<td>102.12</td>
<td>86.81</td>
<td>5.89</td>
<td>2.0</td>
<td>1.012</td>
</tr>
<tr>
<td>2019</td>
<td>105.45</td>
<td>104.17</td>
<td>88.34</td>
<td>6.01</td>
<td>2.0</td>
<td>1.012</td>
</tr>
<tr>
<td>2020</td>
<td>107.56</td>
<td>106.25</td>
<td>90.31</td>
<td>6.14</td>
<td>2.0</td>
<td>1.012</td>
</tr>
<tr>
<td>2021</td>
<td>109.71</td>
<td>108.38</td>
<td>92.12</td>
<td>6.27</td>
<td>2.0</td>
<td>1.012</td>
</tr>
</tbody>
</table>

Escalation rate of 2.0% thereafter
Blackrod Relative Geographical Size

- BlackPearl: Blackrod
- Connacher: Great Divide
- CNRL: Primrose
- Cenovus: Foster Creek
Grand Rapids SAGD Project Comparison

BlackPearl: Blackrod
- Lower Grand Rapids Formation
  - Average Porosity: 36%
  - Average Horizontal Permeability: 4.0 D
  - Average Vertical Permeability: 3.5 D
  - Average Bitumen Saturation: 60%

CNRL: Wolf Lake B10
- Lower Grand Rapids Formation
  - Average Porosity: 33%
  - Average Horizontal Permeability: 3.2 D
  - Average Vertical Permeability: 2.5 D
  - Average Bitumen Saturation: 75%
  (CNRL – 2011 ERCB Performance Presentation)

Cenovus: Pelican Lake
- Upper Grand Rapids Formation
  - Average Porosity: 35%
  - Average Horizontal Permeability: 3.0 D
  - Average Vertical Permeability: 2.5 D
  - Average Bitumen Saturation: 65%
  (Cenovus – Pelican Lake Pilot Application)

Laracina: Germain
- Upper Grand Rapids Formation
  - Average Porosity: 36%
  - Horizontal Permeability Range: 2.6-4.0 D
  - Vertical Permeability Range: 1.9-2.8 D
  - Average Bitumen Saturation: 70%
  (Laracina – Germain Pilot Application)