

A SPRINGBOARD FOR GROWTH

November 2011



TSX:PXX
OMX:PXXS

www.blackpearlresources.ca

Cautionary Statements

FORWARD-LOOKING STATEMENTS This presentation contains certain forward-looking statements and forward-looking information within the meaning of applicable Canadian securities legislation (collectively referred to as “forward-looking statements”). All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “believe”, “plan”, “continuous”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “predict”, “targeting”, “seek”, “intend”, “could”, “potential” or similar words. In particular, this presentation contains forward looking statements pertaining to the following: the Company’s capital expenditure programs, the estimated quantity of the Company’s Proven and Probable Reserves (2P) and Contingent Resources (2C); the Company’s drilling and project development plans and its exploration and development activities; the timing of submitting regulatory applications and approval of these applications, projected steam oil ratios (SOR), the net present value of future net revenues from contingent resources of bitumen and heavy oil; estimated oil recovery percentages; forecasted and potential future production levels; timing and estimated capital costs of development plans, estimated cash flow from operations; forecast working capital and debt levels and funding for the Company’s current and future capital programs and estimated net asset values.

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

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur. There can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based will in fact be realized. Actual results will differ, and the difference may be material and adverse to the Company and its shareholders.

Forward-looking statements are based on the Corporation's current beliefs as well as assumptions made by, and information currently available to, the Corporation concerning anticipated financial performance, business prospects, strategies, regulatory developments, future commodity prices, future production levels, the ability to obtain equipment in a timely manner to carry out development activities, the ability to market oil and natural gas successfully to current and new customers, the impact of increasing competition, the ability to obtain financing on acceptable terms, and the ability to add production, reserves and resources through development and exploration activities. 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 (both general and specific) and risks that the goals or figures contained in forward-looking statements will not be achieved. 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 Alkali Surfactant Polymer 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 may be found under “Risk Factors” in the Annual Information Form.

Cautionary Statements cont'd

Readers are cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of such information, although considered reasonably accurate at the time of preparation, may prove to be incorrect. Accordingly, readers are cautioned that the actual results achieved will vary from the information provided herein and the variations may be material. Readers are also cautioned that the foregoing list of factors is not exhaustive. Consequently, there is no representation by the Corporation that actual results achieved will be the same in whole or in part as those set out in the forward-looking information. Furthermore, the forward-looking statements contained in this presentation are made as of the date hereof, and the Corporation 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.

Profile

Market Capitalization: \$1.5 billion

Shares outstanding:

Basic 284.7 mm

Fully Diluted 308.8 mm

Trading – TSX, OMX 2.1 mm/day

Management Ownership - 7%/11%

- We are a heavy oil/oil sands company
- Our operations are located in Canada
- Established track record of developing profitable heavy oil projects

Highlights

Large heavy oil/oil sands resource

- Contingent resource (best estimate) of 739 million bbls; pre-tax PV – 8% \$4.2 billion
- 2P reserves of 24.8 million bbls; pre-tax PV – 8% \$516 million
- Potential production of up to 80,000 bbls/day; current production of ≈8,000 – 9,000 bbls/day

Management with a proven track record in heavy oil

- Technical team has been together since 1992
- Grew 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 Industries

Strong Financial Position

- Working capital of \$64 mm at September 30, 2011
- No debt

Entering the execution phase of our business plan

- Steam injection has begun on the Blackrod SAGD pilot
- Polymer injection commenced on the commercial ASP flood at Mooney
- Continue primary development at Onion Lake; made application for thermal SAGD development
- Well defined growth plans



Core Areas



Core Area Profile

<u>Core Areas</u>	<u>2P Reserves⁺</u> (mmbbls)	<u>Contingent Resource*</u> (mmbbls)	<u>WI</u>	<u>Operator</u>	<u>Technology</u>
Onion Lake	13	80	87%	PXX	Conventional wells SAGD
Mooney	11	40	100%	PXX	Horizontal wells Polymer flood
Blackrod	-	619	100%	PXX	SAGD

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

*Best estimate recoverable resource as per contingent resources study prepared by Sproule Unconventional Limited dated December 31, 2010

⁺ As per Sproule reserves evaluation as at December 31, 2010.



Onion Lake

General Characteristics

- Current production of $\approx 7,500$ boe/day
- 11° API oil
- 87.5% working interest

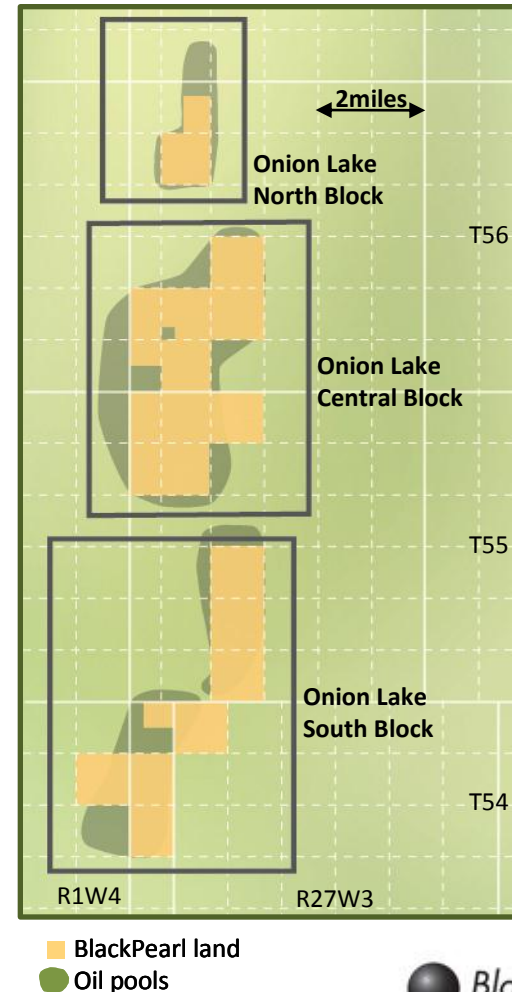
Keys to Value Creation

- **Conventional well development**
 - 200+ well drilling inventory
- **Develop a portion of the resource with a thermal (SAGD) process**
 - Filed 10,000 bbl/d (25 year life) commercial development application

Potential

- Ultimate production potential of 15,000 boe/day (10,000 thermal; 5,000 conventional)
- 13 mm bbl reserves ⁽¹⁾ and 80 mm bbl contingent resource ⁽²⁾

(1) As at Dec 31/10 as per Sproule report; (2) Best estimate recoverable resource as per contingent resources study prepared by Sproule Unconventional Limited as of December 31, 2010



Onion Lake

Conventional Development

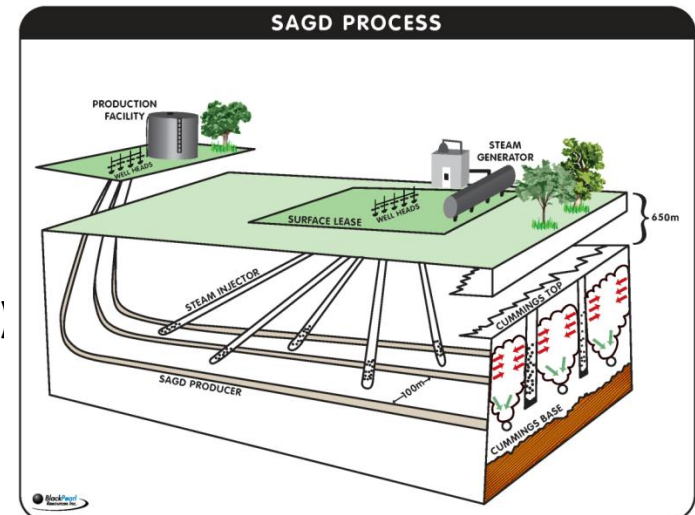
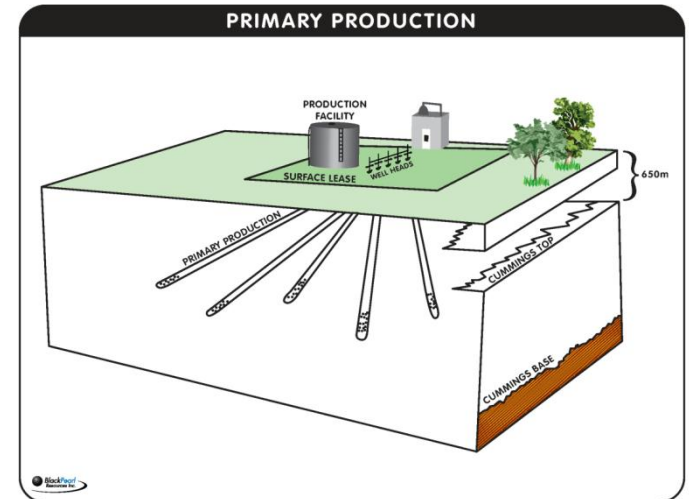
- Production from the Cummings and Dina sands
- Typical well IP \approx 60 - 75 bbls/day;
- Capex \approx \$0.6mm/well; 1 yr or less payout; F&D $<$ \$10/bbl
- 5-8% recovery factor; 60 – 80,000 bbls/well

SAGD Opportunity

- Net pay on a portion of the lease is 10m - 25m thick, making it suitable for thermal exploitation
- 50 - 70% potential recovery factor
- Expected SOR of 2.5 - 3.5

Future Plans

- Construction of battery and pipeline in the area (1 - 2 yrs)
- Continue drilling primary heavy oil wells (next 3 yrs)
- Initiate a 10,000 bbl/day SAGD project (in 2 - 4 yrs)



Mooney Polymer Flood Project

Primary Development

- Current production of ≈ 700 boe/day
- 16° API oil
- 100% working interest

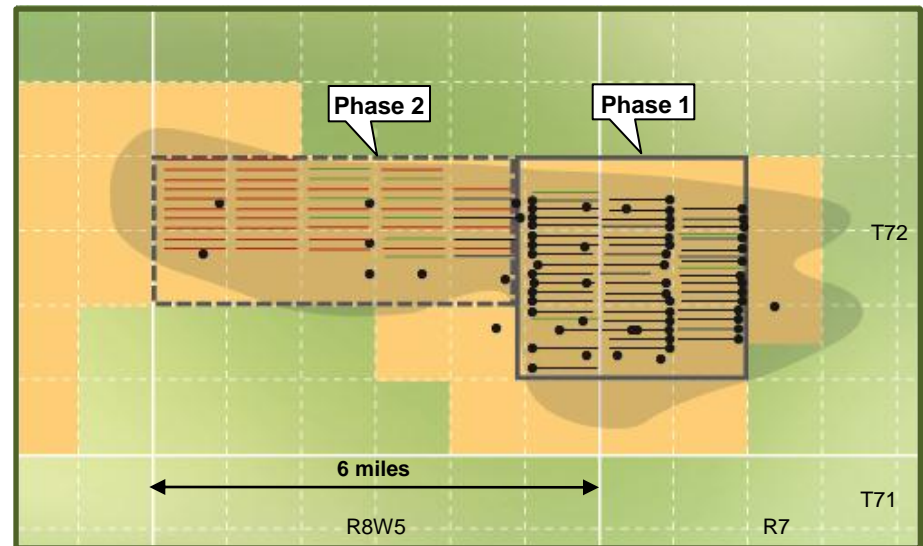
Keys to Value Creation

- Enhance oil recovery rate via 2 stage polymer flood
 - Phase 1 operational in July

Potential

- 7,000 – 10,000 boe/day (phase 1 & 2)
- 11 mm bbl reserves ⁽¹⁾ and 40 mm bbl 2C resource ⁽²⁾

(1) As at Dec 31/10 as per Sproule report; (2) Best estimate recoverable resource as per contingent resources study prepared by Sproule Unconventional Limited dated December 31, 2010



- BlackPearl land
- Delineation wells
- Existing horizontal wells
- Future horizontal wells
- Bluesky oil pool
- Phase 1 ASP flood area
- 2011 drilling

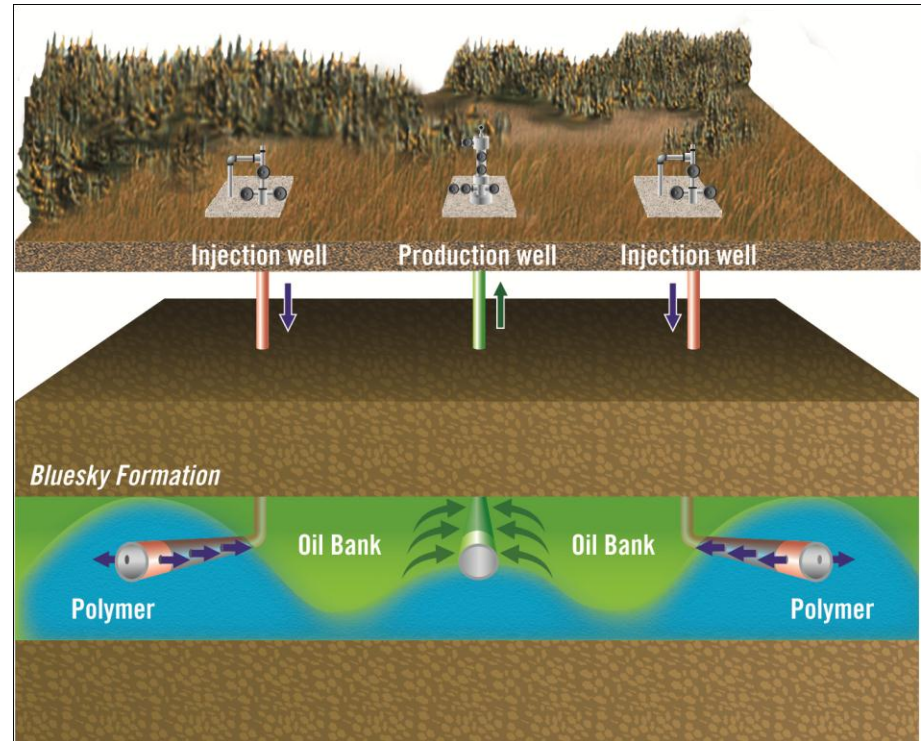
Mooney Polymer Flood Project

Polymer Flood Characteristics

- Polymer thickens the water to improve the ability to sweep oil to the wellbore
- Alkali and surfactant acts as a detergent to wash more oil from the rock
- Potential to significantly increase oil recovery rates from 5% to $\approx 25\%$

Future Plans

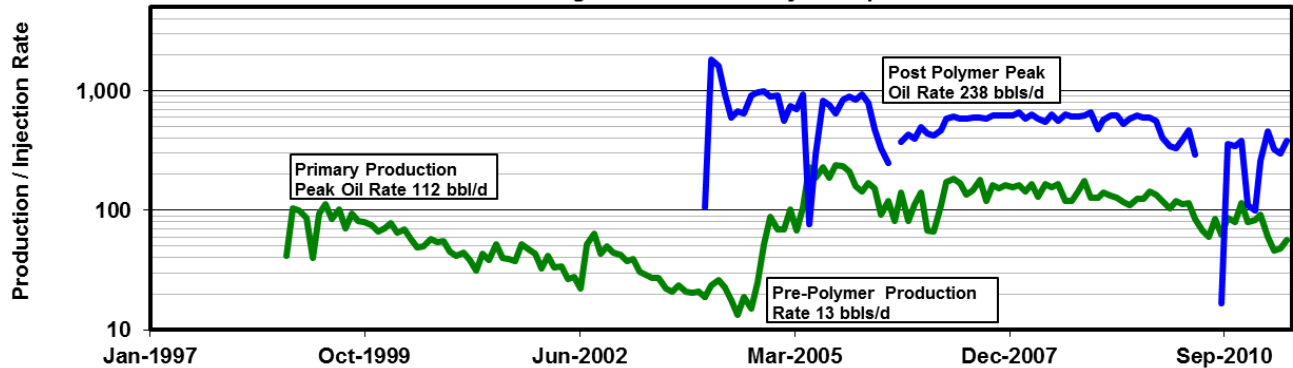
- Complete expansion of heavy oil battery
 - Will accommodate phase 1 and 2
- Expand polymer flood in 1 – 4 yrs (phase 2)
 - Additional drilling, surface facilities



Mooney Analog

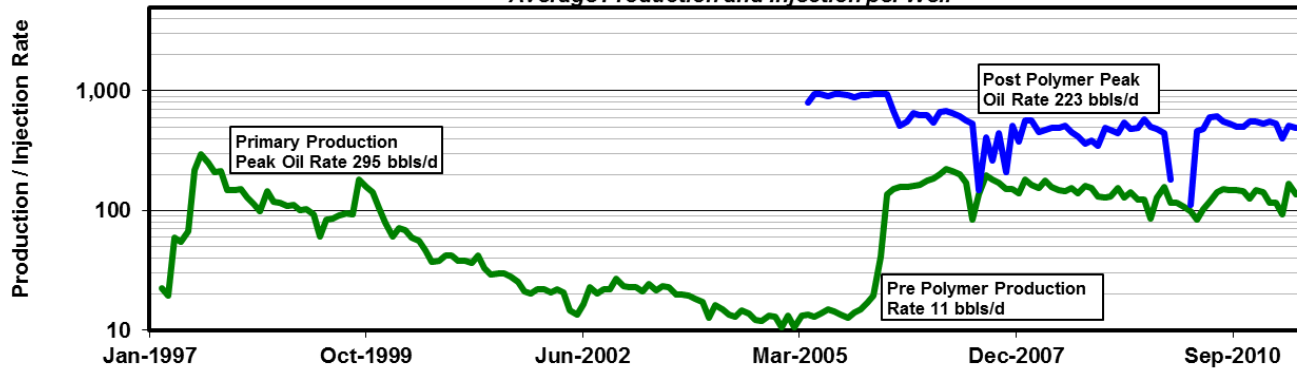
Cenovus Pelican Lake Pilot Polymer Flood

Two Producers and Two Polymer Injectors - 200 m Spacing
Average Production and Injection per Well



CNRL Brintnell Pilot Polymer Flood

Three Producers and Two Polymer Injectors - 200 m Spacing
Average Production and Injection per Well



— Oil Rate (bbls/d/well) — Polymer Inj Rate (bbls/d/well)

Blackrod - SAGD Oil Sands Project

General Characteristics

- Athabasca Oil Sands
- Lower Grand Rapids ≈300 metres
- 9° API oil
- 100% working interest

Key to Value Creation

- **Move from a pilot to multiple phases of commercial development**
 - **Steam injection in the pilot began in June, converted to SAGD mode in September**

Potential

- 70,000 boe/day ⁽¹⁾
- 619 mm bbl contingent resource ⁽¹⁾

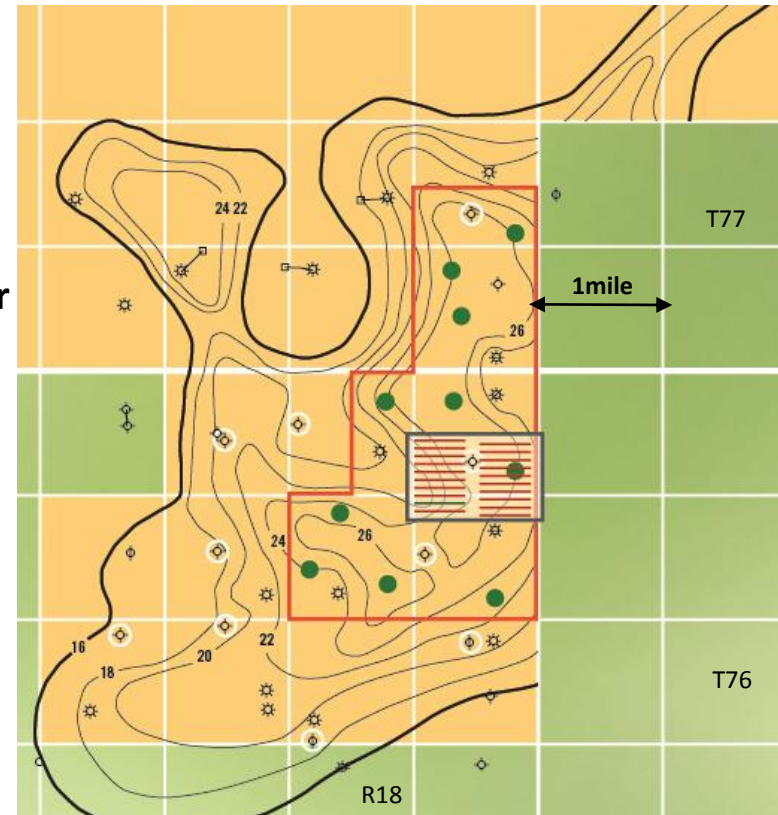
(1) As at Dec 31/10 as per Sproule report



Blackrod - SAGD Oil Sands Project

Future Plans

- **SAGD pilot (operational in June 2011)**
 - Projected 3.0 – 3.5 SOR
 - Projected 500 – 800 bbl/d per well pair
- **File application for 80,000 bbl/day commercial development of the lease (Q1 2012)**
- **Commercial development to occur in phases**
 - 10,000 – 20,000 bbl/d phase 1 as early as 2015
 - 10,000 – 20,000 bbl/day phases to follow every two years

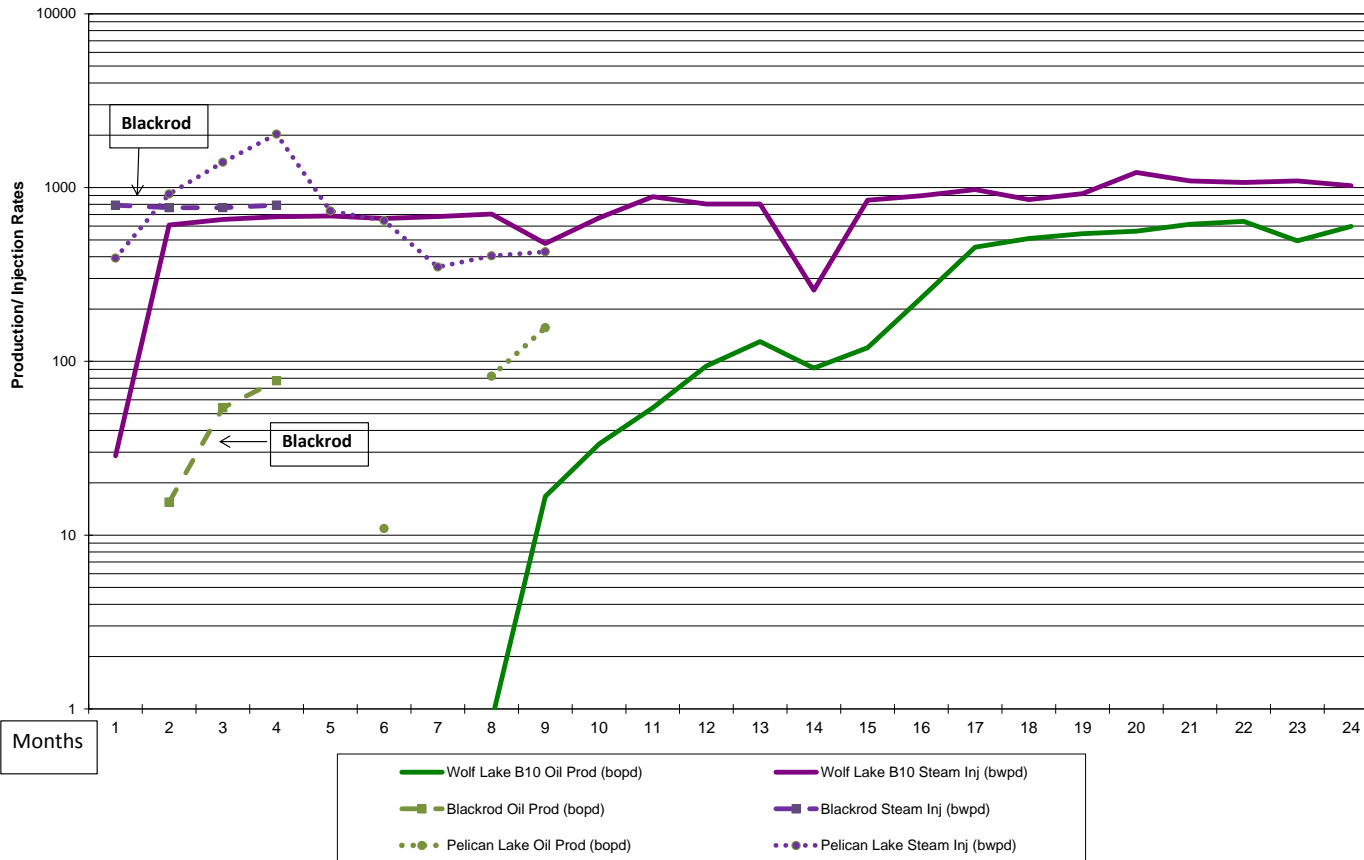


- BlackPearl land
- Planned initial 5 section commercial development
- BlackPearl evaluation wells
- 2011 winter drilling locations
- ▨ 10,000 BOPD Phase 1 development scheme
- Lower Grand Rapids Net Oil Pay (<16m pay cut off)



Blackrod SAGD – Analog Results

Comparison of CNRL's Wolf Lake Lower Grand Rapids SAGD Pairs (6 Pairs)
 With BlackPearl's BlackRod Lower Grand Rapids Pilot SAGD Pair
 and Cenovus's Pelican Lake Upper Grand Rapids Pilot SAGD Pair



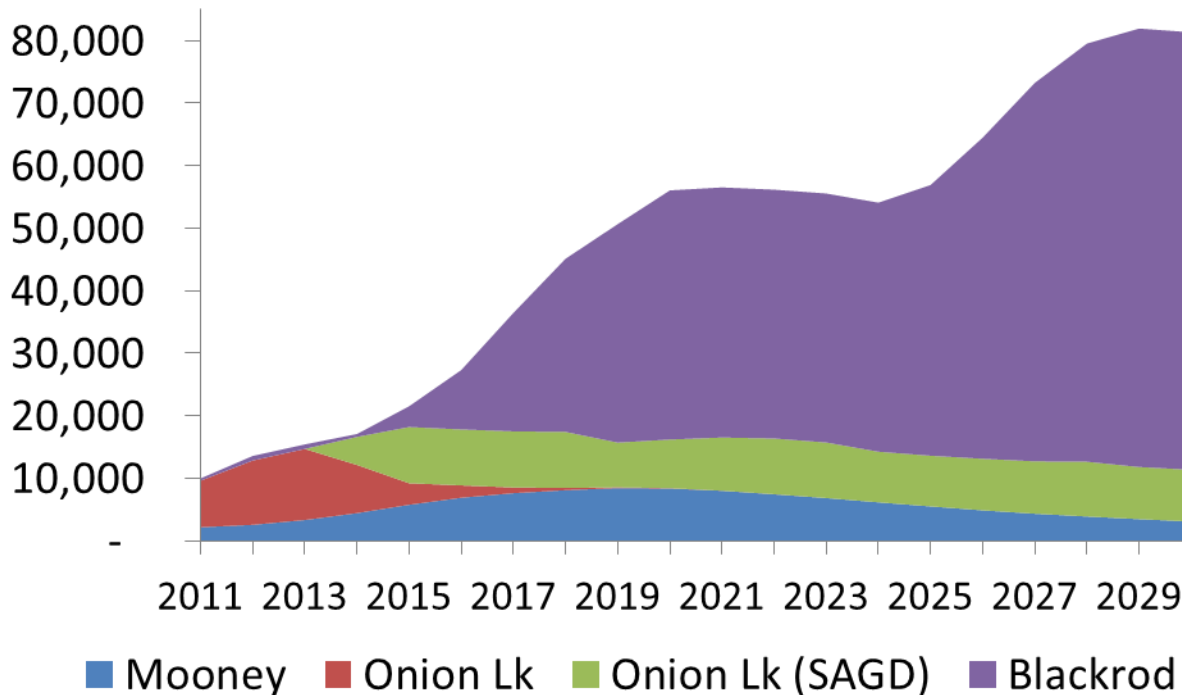
Core Project Summary



- Over 750 million barrels of reserves and recoverable resource (best estimate)
- 80,000 b/d production potential
- Current oil production from all 3 core properties
- All 3 core properties have direct analogues to successful projects
- Regulatory application for commercial development filed on 2 of the 3 projects (the third project to be filed within six months)

Potential Production Profile

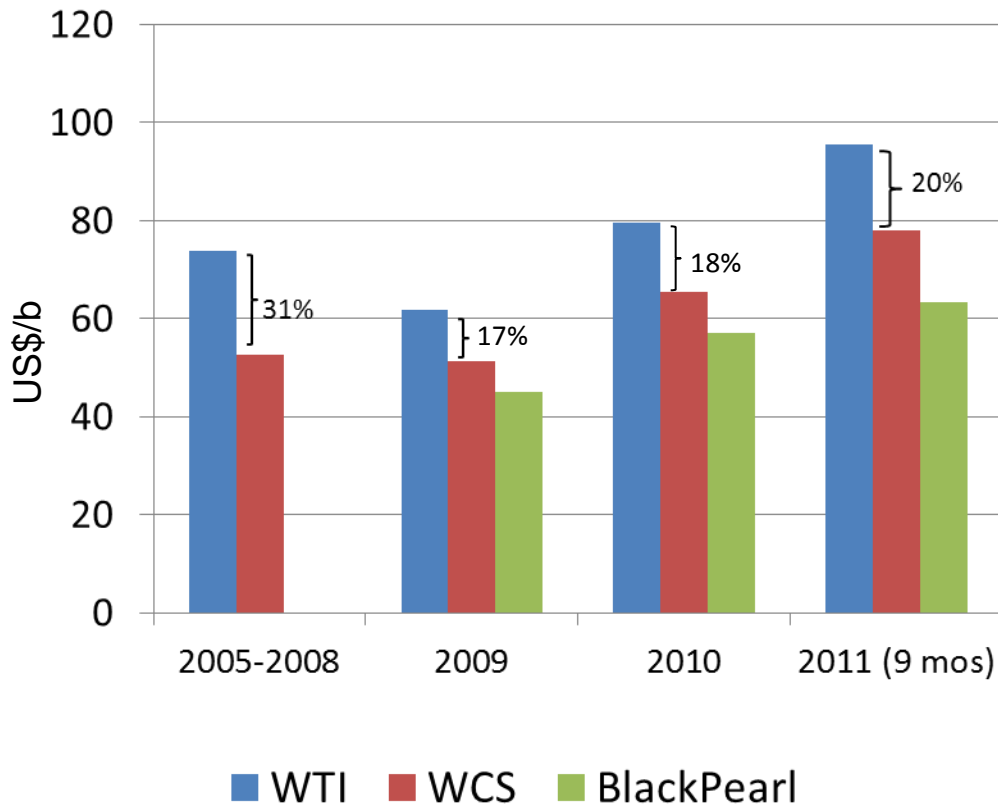
Production (bbl/d) ⁽¹⁾



- Full development of existing properties could see production reach 80,000 b/d
- Potential to reach 30,000 b/d by the end of 2015

(1) As per the Sproule reserves and contingent resource reports dated December 31, 2010

Heavy Oil Pricing



- BlackPearl produces, on average, 11°-12° API crude
- Currently unhedged
- BlackPearl receives ≈70 – 75% of WTI prices (or 80 – 85% of WCS)
- Keystone XL Pipeline important for narrow heavy oil differentials

2012 Guidance

Production

Year average (boe/d)	11,000
Year-end exit (boe/d)	12,000-13,000

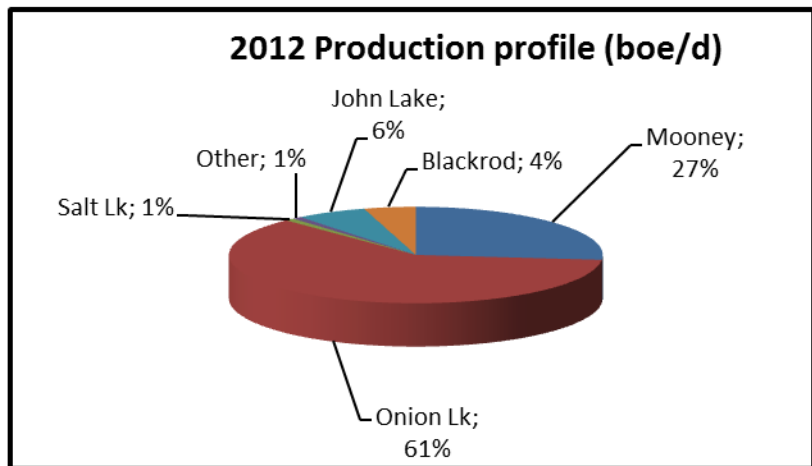
Financial

Capital expenditures (\$mm)	125 – 135
Cash flow from operations (\$mm)	90-95
Per Share	0.25
Ending Working Capital (\$mm)	5-10
Debt (\$mm)	0

* Pricing assumptions used for 2012 include WTI oil price of \$85/bbl, light/heavy differential of \$15/bbl and CDN/US exchange rate of \$0.98

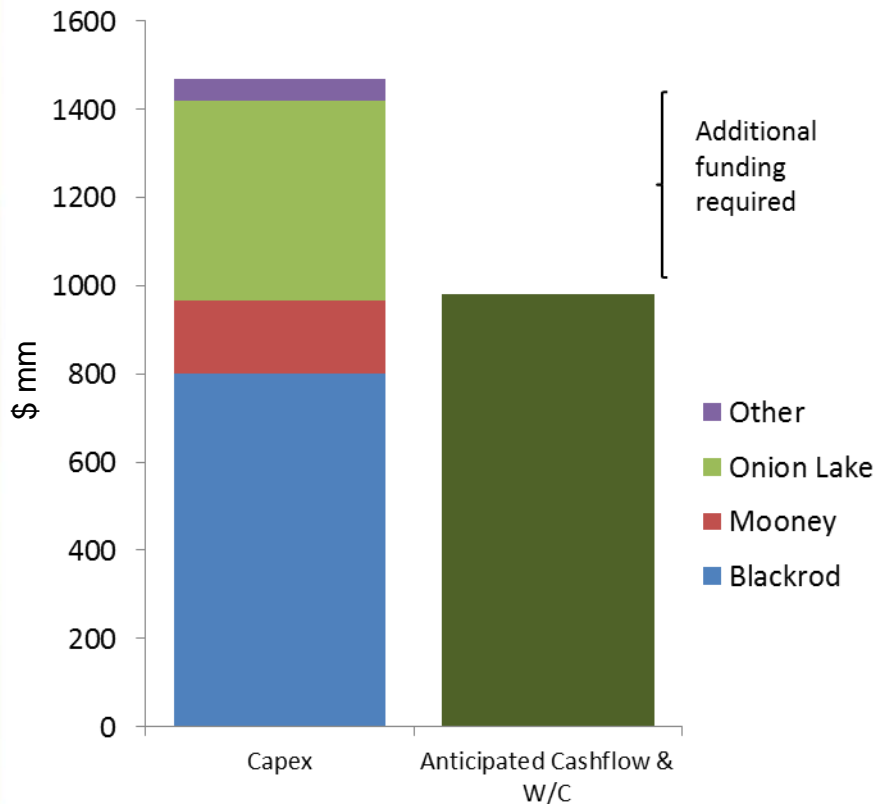
Exit production levels will have increased by over 100% during the last three years, even after selling assets producing over 1,000 b/d

Capital program fully funded from existing working capital and anticipated cash flow



Future Financing Requirements

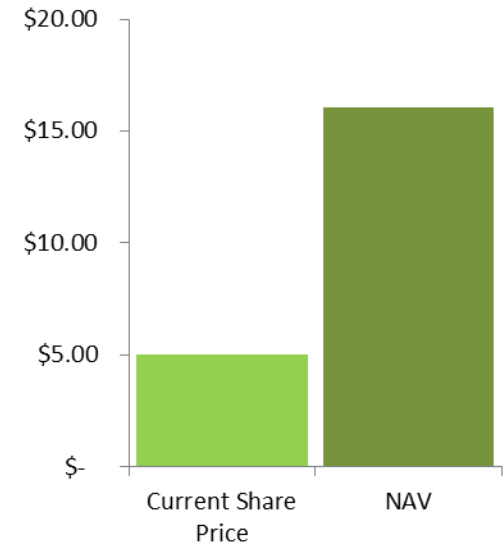
2011 – 2015 Estimates



- Targeting production of 30,000 b/d by the end of 2015
- Expected capital spending of over \$1 billion during the next five years
- Will require additional funding of \$400 – 500 mm over the next five years
- Will consider various financing options, including asset sales
- Financing decision sometime in 2012
- Capital spending program flexible and scalable
 - Reducing target to 20,000 b/d by 2015 would reduce funding requirements to ≈\$100 – 150 mm

PXX Shares – Net Asset Value

Estimated Net Asset Value	Per FD Share
2P Reserves ⁽¹⁾	\$1.67
Contingent Resource ⁽²⁾	\$13.71
Other (land, working capital, etc.)	\$0.66
	<hr/>
	\$16.04



- At a current price of ≈\$5/share, we are trading at just over 30% of unrisks NAV
- Key to enhanced value recognition - Convert Resource into Reserves

(1) As per Sproule December 31, 2010 reserve evaluation discounted at 8% BT

(2) As per Sproule December 31, 2010 resource assessment for Blackrod, Mooney and Onion Lake discounted at 8% BT

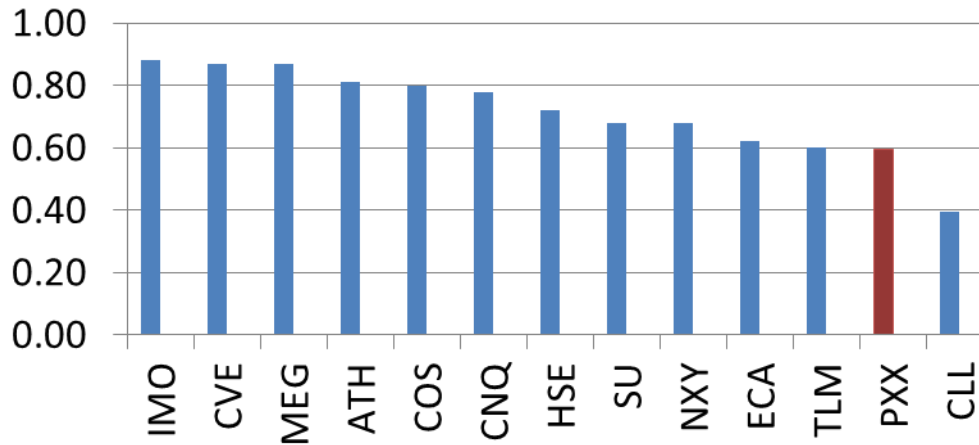
Converting Resource Into Reserves

	Resource (mmbbls)		Current Recognized Reserves (mmbbls)
Blackrod	619	<ul style="list-style-type: none"> Commercial project approval expected in 2013 	0
Onion Lake	80	<ul style="list-style-type: none"> Commercial project approval expected in 2012 Company sanctioning 	13
Mooney	40	<ul style="list-style-type: none"> Phase 2 project approval More delineation drilling Phase 1 performance 	11

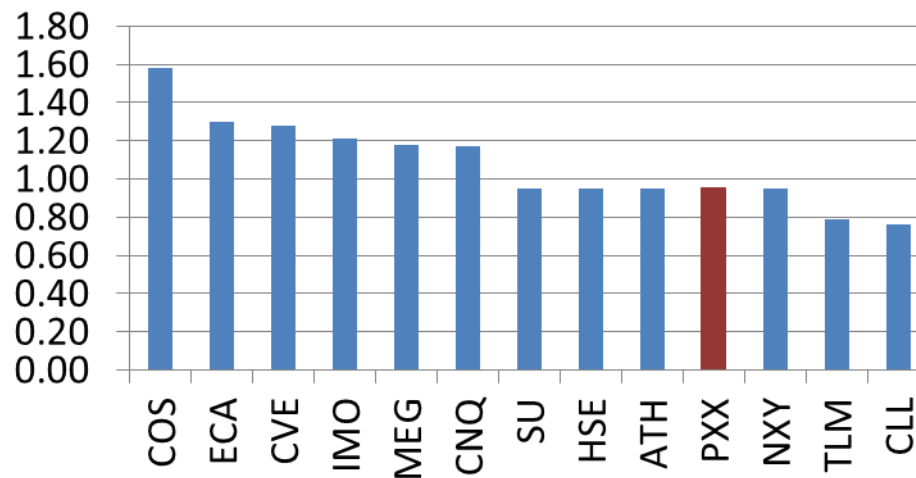
1) As per the Sproule reserves and contingent resource reports dated December 31, 2010

Comparative Valuations

Price/Risked NAV Comps at US \$90/bbl



Price/Risked NAV Comps at US \$70/bbl



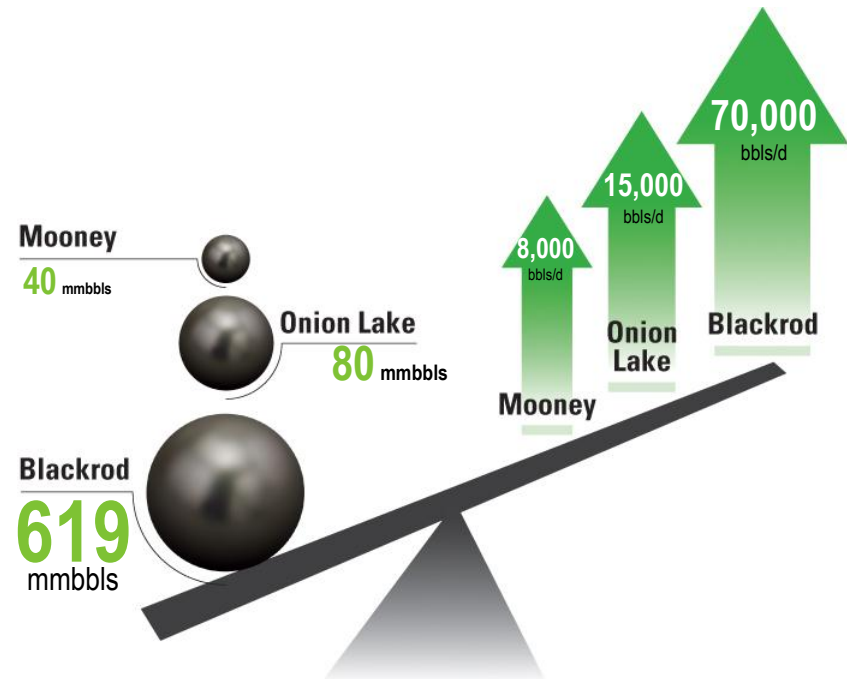
Source: Macquarie Research, August 2011, Bloomberg, Company reports



Reasons to Invest

In Summary, BlackPearl provides:

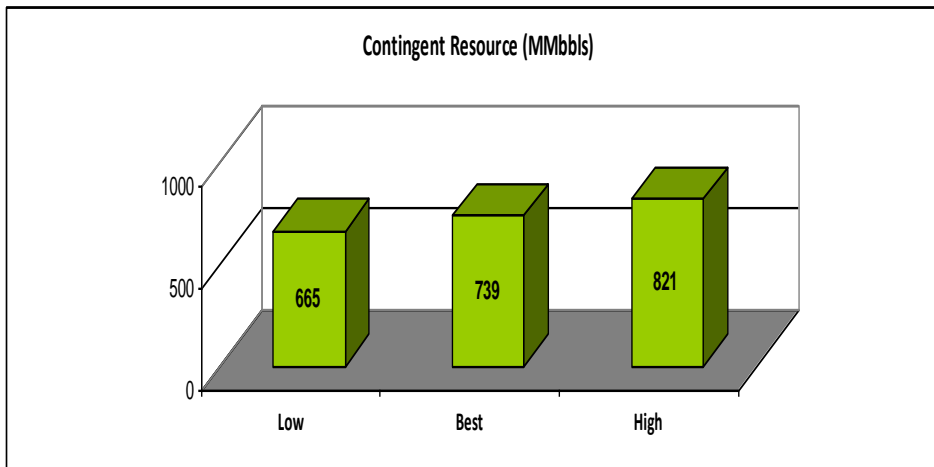
- Disciplined, experienced heavy oil management team
- Large high quality, high impact oil properties
- Well defined growth plans



Appendix

Large Resource Base

- Focused Development
 - *3 Core Properties*
- Well Defined Resource
 - *Narrow range between high and low estimates*
- No significant technical contingencies
 - *Ability to reclassify from resource to reserves*



Net Present Values of Future Net Revenue Before Tax
as of December 31, 2010
Contingent Resources
Discounted at

	0%	5%	8%	10%
	(\$million)			
Low estimate (P90)	15,765	6,118	3,725	2,741
Best estimate (P50)	19,187	7,066	4,223	3,085
High estimate (P10)	22,956	8,210	4,897	3,590

- 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.



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.

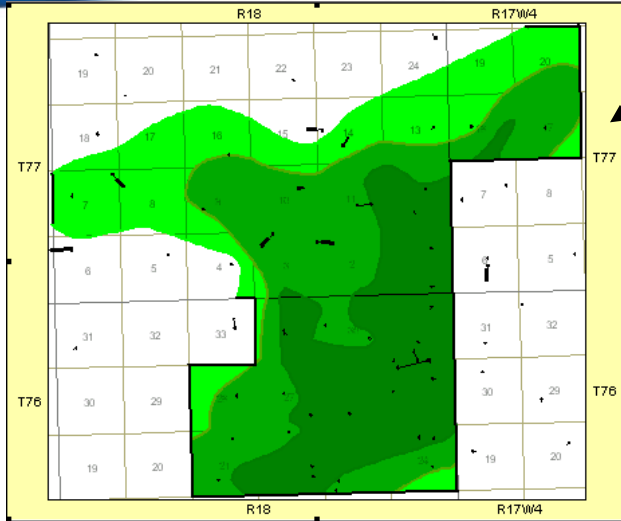
Sproule Resource Assessment – Oil Price Assumptions

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, 2010. A summary of selected items from these pricing models are set forth below.

Year	WTI Cushing 40° API (US\$/bbl)	Edmonton Par Price 40° API (CDN\$/bbl)	Western Canada Select 20.5° API (CDN\$/bbl)	Alberta AECO-C Spot (CDN\$/MMBtu)	Inflation rate (%/yr)	Exchange rate (US\$/CDN\$)
2011	88.40	93.08	80.04	4.04	1.5	0.932
2012	89.14	93.85	80.71	4.66	1.5	0.932
2013	88.77	93.43	78.48	4.99	1.5	0.932
2014	88.88	93.54	76.70	6.58	1.5	0.932
2015	90.22	94.95	77.86	6.69	1.5	0.932
2016	91.57	96.38	79.03	6.80	1.5	0.932
2017	92.94	97.84	80.23	6.91	1.5	0.932
2018	94.34	99.32	81.44	7.02	1.5	0.932
2019	95.75	100.81	82.67	7.14	1.5	0.932
2020	97.19	102.34	83.92	7.26	1.5	0.932

Escalation rate of 1.5% thereafter

Blackrod Relative Geographical Size

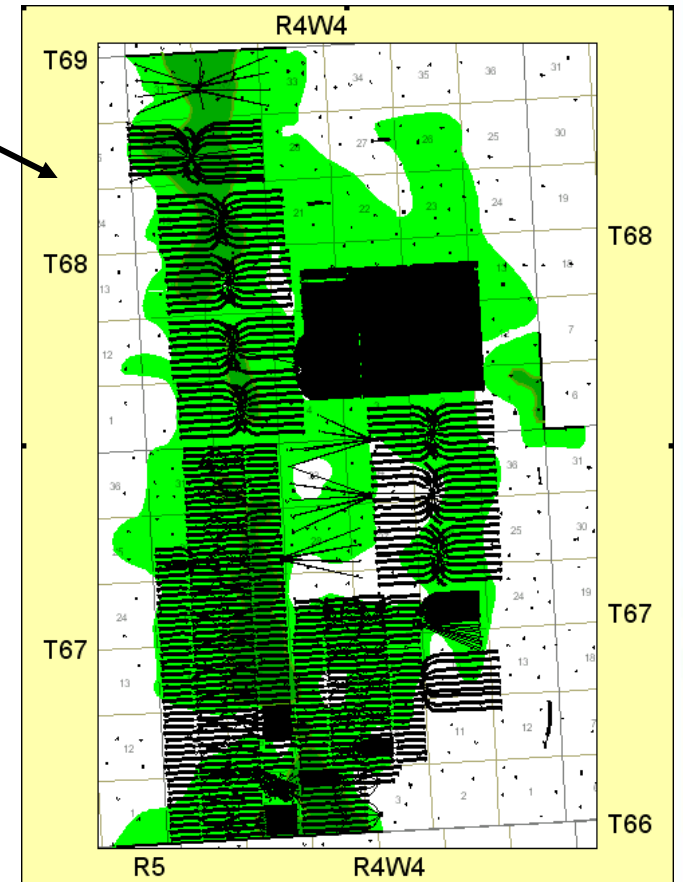
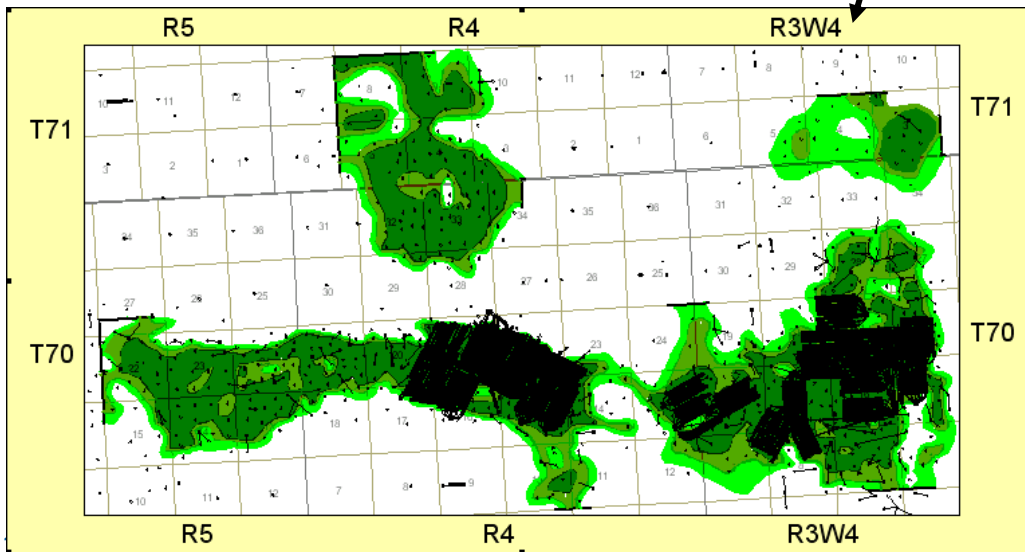
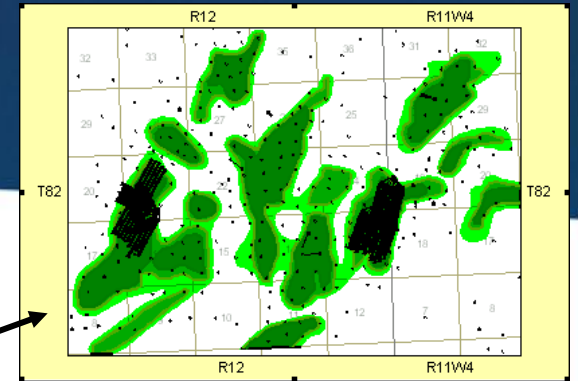


BlackPearl: Blackrod

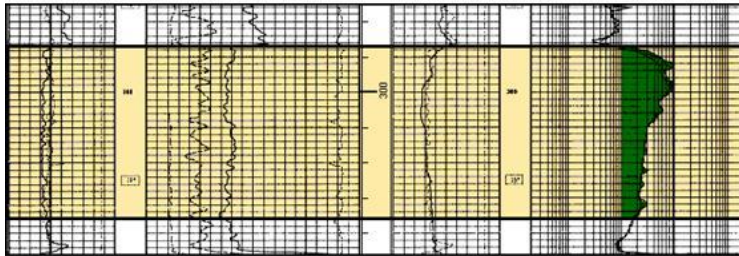
Connacher: Great Divide

CNRL: Primrose

Cenovus Foster Creek

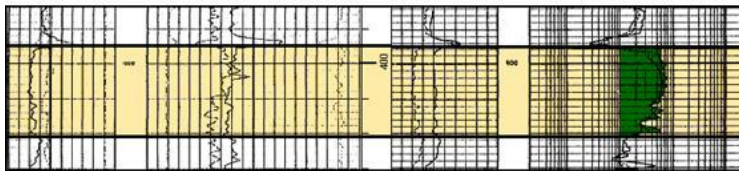


Grand Rapids SAGD Project Comparison



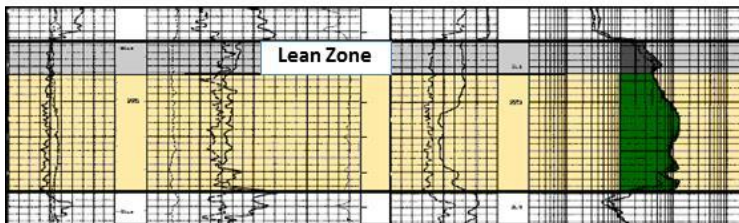
BlackPearl: Blackrod

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



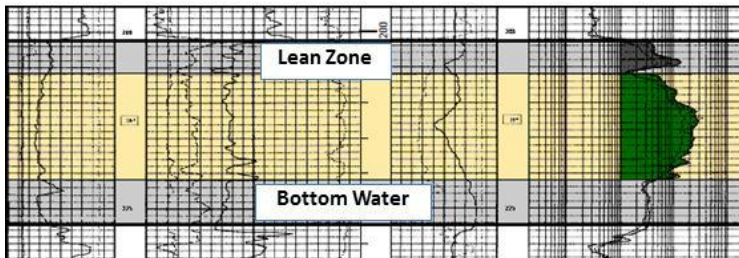
CNRL: Wolf Lake B10

- 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 Annual 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)

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 2 of our core projects
- Resource and Project Performance: we have limited this risk by our experience, pilot results and our understanding of the analog projects