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; estimated production potential of 90,000+ barrels of oil per day from our properties; estimated reserve life of 25 years of the Onion Lake thermal assets, the estimated cash break-even price for the Onion Lake thermal project, estimated quantities of oil and gas reserves and contingent resources as well as the net present values of future net revenues from the reserves and contingent resources; the potential to increase production 10X from our existing project inventory; estimated initial production rates, capital costs and oil recovery volumes for a typical Onion Lake primary well; estimated number of future primary drilling locations at Onion Lake; expectation to reinitiate primary drilling at Onion Lake in 2017; target date to complete construction of phase two of the Onion Lake thermal project as well as the estimated capital costs the timing for first oil from the Onion Lake thermal expansion; the potential for a additional 6,000 b/d of thermal production on the Onion Lake lands; 70 to 100 sustaining location on phase 1 and 2 of the Onion Lake thermal project; indicative economics of the Onion Lake thermal project included on page 12 of this presentation; estimated production potential of 80,000-100,000 for the Blackrod SAGD project, estimated project life of the Blackrod SAGD oil sands project; estimated capital costs of the first phase of commercial development at Blackrod; sources and timing of financing our capital expenditure programs including potential joint venture arrangements to develop Blackrod; expected oil recovery rates for the Mooney ASP project as well as the estimated project life; expectation of an additional 600 boe/d when the ASP flood at Mooney is fully restarted; timing to expand the ASP flood to phase 2 and 3 lands; the estimation that 50 to 60% of operating efficiencies achieved over the last two years are sustainable; the 2017 Outlook on pages 19 and 20 of the presentation; the potential of adding to our current oil hedging position included on page 22 of this presentation and the estimated funds flow, capital expenditures, credit availability, net debt and plans to supplement bank debt with $75 to 4100 million of term debt on page 21 of this presentation.

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 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; risks related to the exploration, development and production of crude oil, natural gas and NGLs reserves; 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 Annual Information Form.

Undue reliance should not be placed on these forward-looking statements. There can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based will be realized. Actual results will differ, and the differences may be material and adverse to the Company and its shareholders. Furthermore, the forward-looking statements contained herein 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.

CONTINGENT RESOURCES: 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. There is no certainty that it will be commercially viable to produce any of the contingent resources. These volumes when totalled are the arithmetic sums of the Best Estimate Resources for Blackrod, Mooney and Onion Lake. 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. Please refer to our Annual Information Form for a more detailed discussion of our contingent resources and the contingencies for each property.

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 “Funds flow from operations” and “funds flow” which represent cash flow from operating activities (a GAAP measure) before asset abandonment costs and working capital adjustments. The presentation also uses the term “Estimated Operating income” and “Estimated netbacks” which represents revenues less royalties, transportation expenses and operating costs. “Net debt” is defined as long term debt less working capital.
THE BASICS

- Our focus is heavy oil and oil sands
- Exposure to long life low decline reserves
- Significant management ownership
- Fiscally disciplined with a strong balance sheet
- Independent reserve and resource assessments support 90,000+ b/d potential

OWNERSHIP

- 49% Burgundy Asset Management
- 18% Franklin Templeton
- 12% Lundin Family
- 12% Management
- 9% Other

Corporate

<table>
<thead>
<tr>
<th>Symbol:</th>
<th>PXX, PXXS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchanges:</td>
<td>TSX, OMX</td>
</tr>
</tbody>
</table>

Shares Outstanding (MM) (1)

| Basic | 336 |
| Fully Diluted | 366 |
| Current Share Price ($/share) | 1.30 |
| Market Capitalization ($MM) | 435 |
| Management ownership | 9%/11% |

Financial (2)

| Working Capital ($MM) | (4) |
| Debt ($MM) | 0 |
| Credit facilities ($MM) | 118 |

Operational

| Current Production (boe/day) | 10,500 |
| 2P Reserves (MMbbl) (3) | 312 |
| 2C Risked Resource (MMbbl) (3) | 499 |

(1) As at April 3, 2017
(2) As at December 31, 2016
(3) Source: Sproule reserve and risked contingent resource (best estimate) reports effective December 31, 2016 (see Cautionary Statement on Contingent Resources in the Disclaimer section of the presentation)
Our long term strategy has always been to transition the Company from a conventional heavy oil operator to a major thermal heavy oil producer.

With the success of Phase 1 and the sanctioning of Phase 2 of our Onion Lake Thermal project and the success of our Blackrod SAGD pilot we have taken several significant steps in achieving our long term strategic goal.

Thermal production accounts for over 60% of our total oil production.
Why the shift to Thermal?

- Long life, low decline assets
  - At 12,000 b/d our 2P reserve life at Onion Lake is 25 yrs

- Top quartile economics
  - Cash break-even of <C$25/bbl

- Low sustaining capital requirements and lower operating costs

Saskatchewan thermal production has some of the best economics in industry
2016 Reserve and Contingent Resource - Summary

- 6% increase in 2P reserves year over year
  - Reserves added at Onion Lake
- 2P reserve value is equivalent to $6/sh
- 2C risked contingent resource value is equivalent to $3/sh

---

**2P RESERVES BREAKDOWN (1)**

<table>
<thead>
<tr>
<th></th>
<th>Volume (MMboe)</th>
<th>BT PV10% ($ mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2P Reserves (1)</td>
<td>312</td>
<td>2,055</td>
</tr>
<tr>
<td>Contingent Resources (1)</td>
<td>499</td>
<td>1,103</td>
</tr>
</tbody>
</table>

---

The majority of our reserves value is in our thermal assets

---

(1) Source: Sproule reserve and risked contingent resource (best estimate) reports effective December 31, 2016 (see Cautionary Statement on Contingent Resources in the Disclaimer section of the presentation)
Three Core Properties

CORE PROPERTIES

- All are in heavy oil and oil sands regions
- All projects have been delineated and piloted
- All projects employ proven technologies: primary ("CHOPS"), tertiary (polymer flood) and thermal recovery methods
- Potential to increase production 10x from existing project inventory
OPERATIONS REVIEW
THE BASICS
- Active in the region since 2006
- Over 300 wells drilled
- Expect initial production of 40 – 60 b/d
- Expect 40,000 – 80,000 bbls per well
- Capex of ≈$0.45 mm per well

CURRENT STATUS
- Producing ≈2,000 b/d
- ≈500 b/d shut-in due to low oil prices
- 2P reserves of 5.0 mmbbl; 2C risked contingent resource of 1.0 mmbbl

POTENTIAL
- 89 future drilling locations
- Expect to reinitiate an active drilling program in 2017

---

(1) Source: Sproule reserve and risked contingent resource (best estimate) reports effective December 31, 2016 (see Cautionary Statement on Contingent Resources in the Disclaimer section of the presentation)

(2) Consists of 61 total proved plus probable drilling locations and 28 best estimate contingent resources drilling locations from the Sproule reports
**Onion Lake - Thermal**

**PHASE 1 (6,000 b/d)**
- Producing ≈6,100 b/d
- ISOR ≈2.5

**PHASE 2 (an additional 6,000 b/d)**
- Sanctioned in February 2017
- 12 to 15 month construction period; followed by 9 to 12 month production ramp-up
  - Construction completion targeted for mid 2018
  - First oil expected late 2018
- Capital costs of ≈$180 mm ($30,000 per b/d)
  - 40% of capital costs on a fixed price contract

**FUTURE THERMAL DEVELOPMENT**
- Potential to add 6,000 b/d on lands surrounding and south of existing development
Onion Lake - Thermal

THERMAL DEVELOPMENT AREA DELINEATED
- 197 existing delineation wells in the thermal development area
- ≈90% 3D seismic coverage

THERMAL DEVELOPMENT PLAN IN PLACE
- Phase 1 - 13 horizontal production wells
- Phase 2 - 14 horizontal producer locations
- 70 to 100 sustaining producer locations will keep Phase 1 and Phase 2 facilities full (12,000 b/d)
ECONOMICS

- Royalties of ≈11% (pre-payout)
- Operating (including energy) and transportation costs of ≈$10 – 15/bbl
- Total capital of $8 – 10/bbl, including sustaining capital of $4 – 5/bbl
- Break-even wellhead price of ≈$27/bbl (3)

ESTIMATED OPERATING INCOME (1)(2)

($mm/yr)

Based on 12,000 b/d

Thermal production will be our lowest cost production

(1) Operating income is a non-GAAP measure. It represents revenues less royalties, transportation and operating costs
(2) Estimated operating income is based on production of 12,000 b/d, 25% WCS heavy differential, FX of 0.75 and natural gas prices of $3/mcf
(3) Includes provision for G&A, interest and sustaining capital
Blackrod SAGD - Overview

THE BASICS
- Located in the Athabasca oil sands
- 100% owned and operated
- Grand Rapids reservoir

CURRENT STATUS
- Successful pilot operated since 2012
- Pilot well averaged 535 b/d over last 24 months with an average SOR of <3.0
- Pilot well has produced >500,000 bbl

POTENTIAL
- 80,000 – 100,000 b/d (several phases)
- Long life asset – 30+ year project life
- 2P reserves – 180 mmbbl (1)
- 2C risked contingent resource – 453 mmbbl (1)

Regulatory approval received for 80,000 b/d commercial development

(1) Source: Sproule reserve and risked contingent resource (best estimate) reports effective December 31, 2016 (see Cautionary Statement on Contingent Resources in the Disclaimer section of the presentation)
Blackrod – Commercial Development

COMMERCIAL

- Received regulatory and environmental approval for 80,000 b/d commercial development
- Project to be built in phases, with the first phase planned for 20,000 b/d
- Phase 1 capital cost estimate of $800mm ($37,500 – $42,500 per b/d)
  - Current industry conditions leading to lower cost environment
- May seek a joint venture arrangement to accelerate development

At 80,000 bbl/d, Blackrod could produce for over 20 years
Mooney - ASP Flood

THE BASICS
- Bluesky reservoir
- Drilled over 90 horizontal wells
- Phase 1 of the ASP flood initiated in 2011; production increased from 300 to >2,000 boe/d
- Recoveries expected to go from 5% to 25-30%
- 40+ year project life

CURRENT STATUS
- Producing ≈1,000 boe/d
- Majority of ASP flood was shut-in due to low prices
  - Re-initiated ASP flood in Phase 1 area, additional ≈600 boe/d to be recovered over the course of the year
  - Phase 2 and 3 producing on primary production

POTENTIAL
- 35 wells drilled on phase 2; plan to expand ASP flood to phase 2 starting in 2018
- 6 wells drilled on phase 3; ASP flood will expand to phase 3 to keep facilities at capacity
### Comparative SOR Performance

**Last 12 Months Trailing SOR (October 2015 - September 2016)**

*instantaneous SOR presented for newer projects still in ramp-up phase

<table>
<thead>
<tr>
<th>Project</th>
<th>1st quartile</th>
<th>2nd quartile</th>
<th>3rd quartile</th>
<th>4th quartile</th>
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<td>3.3</td>
<td>4.3</td>
</tr>
</tbody>
</table>

1. Sources: Geoscout and Top Analysis
2. SOR is steam oil ratio
FINANCIAL REVIEW
2016 Financial Highlights

- 21% increase in production
  - Exceeded 2016 guidance
  - Onion Lake thermal production exceeded design capacity

- Improved operating efficiencies
  - Responsive to lower oil prices
  - ≈50-60% of reductions are sustainable

- Debt free at year-end
  - Limited capital spending, used cash flow to pay down debt
  - Used proceeds from $55 mm royalty sale to eliminate debt
2017 Outlook

- Our primary focus in 2017 is thermal expansion at Onion Lake
  - Best economics of all our projects

- Development to be funded from cash flow, bank and subordinated debt

- Forecast was based on strip pricing for 2017
  - Every $1/bbl change in WTI prices impacts our funds flow by ≈$2.5 mm

- Production grows 5 - 10%
  - Reflects new drilling at John Lake and Onion Lake primary as well as the reactivation of the ASP flood at Mooney

### Funds Flow Sensitivities - $mm\(^{(1)(2)}\)

<table>
<thead>
<tr>
<th>WTI Price</th>
<th>2016</th>
<th>2017E(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>$40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$45</td>
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</tr>
<tr>
<td>$60</td>
<td></td>
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</table>

\(^{(1)}\) 2017 guidance is based on a WTI price of US$55, a WCS differential of US$15, FX of 0.75 and a natural gas price of $3/mcf

\(^{(2)}\) Only change is the WTI price, a WCS differential of US$15, FX of 0.75 and a natural gas price of $3/mcf

### Operational Highlights

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017E(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average production (boe/d)</td>
<td>10,077</td>
<td>10 – 11,000</td>
</tr>
<tr>
<td>Capital expenditures ($MM)</td>
<td>11</td>
<td>200</td>
</tr>
<tr>
<td>Funds flow ($MM)</td>
<td>45</td>
<td>65 - 70</td>
</tr>
<tr>
<td>Year-end debt ($MM)</td>
<td>Nil</td>
<td>135-140</td>
</tr>
</tbody>
</table>
2017 Development Plan

THE PLAN

○ 2017 capital spending will be dominated by the expansion of the Onion Lake thermal project
  ○ Includes phase 2 expansion of $180 mm and phase 1 sustaining capital of $30 mm to be spent over the next 18 months

○ Resuming conventional development program in our other areas
  ○ Minimal activity in these areas in 2015 and 2016 due to low prices

CAPITAL SPENDING ($ mm)

- Onion Thermal
- John Lake
- Onion Primary
- Mooney
- Other

177.5 6.5 3.5 6.0 6.5
Strong Financial Position

18 Month Requirements ($ mm)

- **Non Discretionary**
  - Onion Lake Expansion $180
  - Onion Lake Thermal Maintenance $30

- **Discretionary**
  - Est. Cash Flow $100\(^{(1)}\)
  - Existing Bank Lines $118
  - New Debt $≈75

- **Other**
  - $≈40

Estimated Net Debt ($ mm)

- **Q4/16**
- **Q2/17**
- **Q4/17**
- **Q2/18**
- **Q4/18**
- **Q2/19**
- **Q4/19**

- **(1)** Assumes: production of ≈11,000; WTI prices of US$55; US$15.25 heavy differential; FX 0.76
- **(2)** Assumes: WTI prices of US$60; US$16 heavy differential; FX 0.77

- Strong balance sheet
  - Debt free at year-end 2016
- Bank credit facilities of $117.5mm
  - Plan to supplement bank debt with $75 – 100 mm of term debt
- Debt peaks at ≈$160 mm during Onion Lake construction (2.2 – 2.4x funds flow)
- By 2019, with ramp-up in thermal production, debt/funds flow <1x
  - Estimated annual funds flow of $150 - $160 mm \(^{(2)}\)
We use oil hedging to mitigate price volatility to support capital program and debt repayment.

- $37 mm realized on hedging in 2015;
- $11 mm realized in 2016

- Will likely add to existing 2017 hedges (target 50% to 60% of planned production) as well as begin to layer in 2018 hedges.

---

(1) WCS refers to Western Canadian Select, a heavy oil reference price.
(2) Potential cash flow impact is based on a heavy oil price differential of US$15/bbl and FX of C$1=US$0.75.
(3) In addition to these swaps and collars, the company has sold calls for 1,000 b/d in 2017 at US$60 and 1,000 b/d in 2018 at US$70.
Key Takeaways

- Transition to long life, low decline thermal production
  - Phase 2 thermal development at Onion Lake
  - Initiate commercial development at Blackrod
- Estimated $6/share of reserve value and $3/share of risked contingent resource value \(^{(1)}\)
- All of our projects have been delineated, piloted, in development or ready for development

\(^{(1)}\) Source: Sproule reserve and risked contingent resource (best estimate) reports effective December 31, 2016 (see Cautionary Statement on Contingent Resources in the Disclaimer section of the presentation)