BLACKBIRD ENERGY INC.

ANNUAL INFORMATION FORM

For the year ended
July 31, 2013

Dated November 10, 2014

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ABBREVIATIONS AND CONVERSION

Crude Oil and Natural Gas Liquids		Natural Gas	
bbl	Barrel	Mcf	thousand cubic feet
Mbbl	thousand barrels	MMCF	million cubic feet
bbls/d	barrels per day	Mcf/d	thousand cubic feet per day
BOE or boe	barrels of oil equivalent of natural gas and crude oil on the basis of 1 bbl for 6 Mcf of natural gas (this conversion factor is an industry accepted norm and is not based on either actual energy content or current prices)	Bcf	billion cubic feet
		MMcf/d	million cubic feet per day
		GJ/d	gigajoules per day
		m^3	metres cubed
Mboe	thousand barrels of oil equivalent	bwpd	barrels of water per day
boe/d	barrels of oil equivalent per day	M$	thousands of dollars
NGL	natural gas liquids	MMBtu	million British Thermal Units
2D	two dimensional seismic	3D	three dimensional seismic

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

To convert from	To	Multiply by
Mcf	1,000 cubic metres of gas	0.028
1,000 cubic metres of gas	Mcf	35.493
bbl	cubic metres of oil	0.158
cubic metres of oil	bbl	6.290
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.471
GJ	MMBtu	0.950

PRESENTATION OF OIL AND GAS RESERVES AND PRODUCTION INFORMATION

All oil and natural gas reserves information contained in this Annual Information Form has been prepared and presented in accordance with National Instrument 51-101− *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"). Certain terms used in this Annual Information Form but not otherwise defined in the Glossary of Terms are defined in NI 51-101 and, unless the context requires otherwise, shall have the same meanings herein as in NI 51-101. Actual oil and natural gas reserves and future production may be greater than or less than the estimates provided in this Annual Information Form. The estimated future net revenue from the production of the disclosed oil and natural gas reserves does not represent the fair market value of these reserves. The Corporation has adopted the standard of 6 Mcf:1 boe when converting natural gas to barrels of oil equivalent. A boe conversion ratio of 6 Mcf:1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Boes may be misleading as an indication of value, particularly given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf:1 boe.

SELECTED DEFINITIONS

In this Annual Information Form, the following words and phrases have the following meanings, unless the context otherwise requires:

"**AIF**" means this Annual Information Form;

"**BCBCA**" means *Business Corporations Act* (British Columbia);

"**Board**" or "**Board of Directors**" means the board of directors of the Corporation as constituted from time to time;

"**CEO**" means Chief Executive Officer;

"**CFO**" means Chief Financial Officer;

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum;

"**Common Shares**" **or** "**Blackbird Shares**" means the common shares in the capital of the Corporation;

"**Corporation**" or "**Blackbird**" means Blackbird Energy Inc.;

"**Exchange**" or "**TSX-V**" means the TSX Venture Exchange;

"**NI 51-101**" means National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities;*

"**Preferred Shares**" means the Preferred Shares in the capital of the Corporation, issuable in series; and

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval accessible at www.sedar.com

Certain terms used herein are defined in "Selected Definitions", above. Certain other terms used herein but not defined herein are defined in the COGE Handbook and NI 51-101 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101. Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars. All financial information herein has been presented in Canadian dollars in accordance with generally accepted accounting principles in Canada.

Information has been incorporated by reference in this AIF from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference herein may be obtained on request without charge from the Corporation at Suite 400, 570 Granville Street, Vancouver, V6C 3P1. These documents are also available through the internet through Blackbird's profile on SEDAR which can be accessed at www.sedar.com.

RESERVES DEFINITIONS

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

"**Crude oil**" or "**oil**" as described in the COGE Handbook means a mixture consisting mainly of pentanes and heavier hydrocarbons that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons but does not include liquids obtained from the processing of natural gas.

"**Developed producing**" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"**Developed non-producing**" reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

"**Gross**" means:

(a) in relation to the Corporation's interest in production or reserves, its "Corporation gross reserves", which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation;
(b) in relation to wells, the total number of wells in which the Corporation has an interest, and
(c) in relation to properties, the total area of properties in which the Corporation has an interest.

"**Natural gas liquids**" **or** "**NGLs**" means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons.

"**Natural gas**" means lighter hydrocarbons and associated non-hydrocarbon substances occurring naturally in an underground reservoir, which under atmospheric conditions are essentially gases but which may contain natural gas liquids. Natural gas can exist in a reservoir either dissolved in crude oil (solution gas) or in a gaseous phase (associated gas or non-associated gas). Non-hydrocarbon substances may include hydrogen sulphide, carbon dioxide and nitrogen.

"**Net**" means:

(a) in relation to the Corporation's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves;

(b) in relation to the Corporation's interest in wells, the number of wells obtained by aggregating the Corporation's working interest in each of its gross wells; and

(c) in relation to the Corporation's interest in a property, the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation.

"**Proved**" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"**Probable**" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

"**Reserves**" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on: (a) analysis of drilling, geological, geophysical and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates.

"**Undeveloped**" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

THE CORPORATION

General

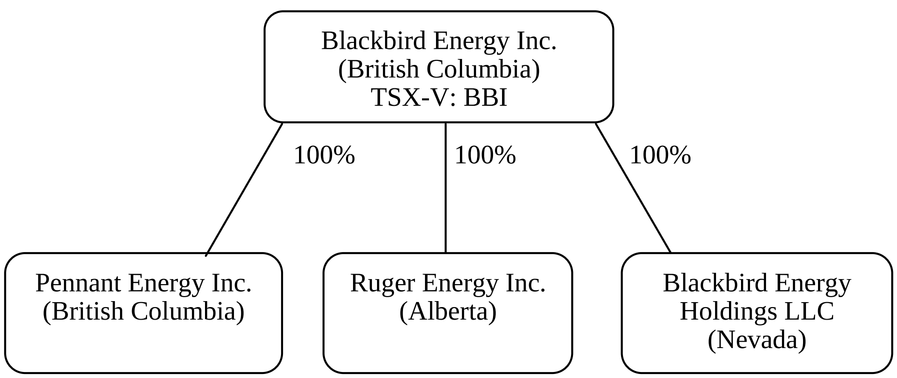
Blackbird is a western Canadian based junior oil and gas company engaged in the acquisition, exploration, development and production of petroleum and gas interests in western Canada. Blackbird has properties located in the provinces of Alberta and Saskatchewan. See "Description of the Business".

Blackbird's full corporate name is "Blackbird Energy Inc.". Blackbird is governed by the BCBCA. Its head office is located at 2200, 635 8th Ave SW, Calgary, Alberta T2P 3M3 and its registered and records office is located at Suite 400 - 570 Granville Street, Vancouver, BC V6C 3P1.

The Corporation is a reporting issuer in British Columbia and Alberta. The Corporation's Common Shares were listed and began trading on the TSX-V under the symbol "BBI" on July 14, 2009.

Intercorporate Relationships

Blackbird has three wholly-owned subsidiaries, being Blackbird Energy Holdings LLC, a Nevada limited company, Ruger Energy Inc. ("**Ruger**"), a corporation existing under the laws of the Province of Alberta, and Pennant Energy Inc. ("**Pennant**"), a corporation existing under the laws of the Province of British Columbia, as follows:



GENERAL DEVELOPMENT OF THE BUSINESS

The following is a summary of the business operations of the Corporation for the periods shown.

History

Blackbird was incorporated under the BCBCA on September 21, 2006 under the name of "Blackbird Investments Inc." and was a Capital Pool Company (as that term is defined by the policies of the TSX-V). Blackbird completed its initial public offering on July 14, 2009 by way of prospectus dated April 22, 2009. Under the prospectus offering Blackbird sold 15,000,000 Common Shares at a price of $0.10 per Blackbird Share for gross proceeds of $1,500,000. On October 23, 2009, Blackbird completed its Qualifying Transaction (as that term is defined by the policies of the TSX-V) with Maxwell Operating, Inc., a Texas corporation pursuant to a purchase and sale agreement between Blackbird Energy Holdings LLC and Maxwell Operating, Inc., whereby Blackbird acquired a 75% interest in certain oil and gas leases located in Gray County, Texas. On March 25, 2010, Blackbird changed its name from "Blackbird Investments Inc." to "Blackbird Energy Inc.".

Year ended July 31, 2011

On March 8, 2011, Blackbird entered into a farmout agreement with Donnybrook Energy Inc. ("**Donnybrook**") to drill a Montney formation horizontal test well in the Bigstone area of Alberta, Canada (the "**Bigstone Farmout Agreement**"). Under the terms of the Bigstone Farmout Agreement, Blackbird paid an aggregate of approximately $1,973,134, or 37.5% of the costs to drill, complete, equip and tie-in a test well, in order to earn a 37.5% working interest in the test well subject to a convertible 10% gross overriding royalty on 37.5% of production. In addition to the capital commitments noted above, Blackbird also paid an aggregate of approximately $142,000 for land acquisition costs incurred by Donnybrook in respect of the subject lands as well as pre-estimated surface lease construction costs. Upon drilling to an approximate vertical depth of 2,500 metres and horizontally to an estimated total minimum depth of 3,800 metres and completing the test well, Blackbird earned 25% of Donnybrook's interest in lands and licenses covering 7 sections of land in the Bigstone area (the "**Bigstone Project**"), subject to a non-convertible 2.0% gross overriding royalty on all of the lands.

On July 21, 2011, Blackbird closed a first tranche of a private placement by issuing 7,750,000 units at a price of $0.20 per unit for gross proceeds of $1,550,000. Each unit consisted of one Blackbird Share and one Blackbird Share purchase warrant with each warrant entitling the holder thereof to purchase one additional Blackbird Share at price of $0.35 until July 21, 2013. On August 4, 2011, Blackbird closed the final tranche of the private placement by issuing 935,000 units at a price of $0.20 per unit for gross proceeds of $187,000. Each unit consisted of one Blackbird Share and one share purchase warrant with each share purchase warrant entitling the holder thereof to purchase one additional Blackbird Share at price of $0.35 until August 4, 2013.

Year ended July 31, 2012

On November 28, 2011, Blackbird announced that it closed a first tranche of a brokered and non-brokered private placement by issuing 1,792,500 units at a price of $0.20 per unit and 3,657,500 flow-through shares at a price of $0.20 per flow-through share, for gross proceeds of $1,090,000. Each unit consisted of one Blackbird Share and one share purchase warrant with each share purchase warrant entitling the holder thereof to purchase one additional Blackbird Share at price of $0.30 until November 25, 2013. PI Financial Corp. acted as agent for the brokered private placement. Blackbird subsequently closed a second and third tranche of the brokered private placement, having equivalent pricing per unit and flow-through share as in the first tranche, on December 7, 2011 and December 14, 2011, respectively. An aggregate of 550,000 units and 1,865,000 flow-through shares were issued pursuant to the second tranche for gross proceeds of $483,000. Warrants comprising the units issued in the second tranche were exercisable for one additional Blackbird Share at a price of $0.30 until December 7, 2013. In conjunction with the second tranche, Blackbird also closed non-brokered subscriptions of 825,000 flow-through shares for gross proceeds of $165,000 and 50,000 units for gross proceeds of $10,000. In the third tranche, an aggregate of 835,000 units and 2,280,000 flow-through shares were issued for gross proceeds of $623,000. Warrants comprising the units issued in the third tranche were exercisable for one additional Blackbird Share at a price of $0.30 until December 14, 2013. In conjunction with the third tranche, Blackbird also closed non-brokered subscriptions of 550,000 flow-through shares and 517,500 units for gross proceeds of $213,500.

On February 29, 2012, Blackbird announced that it completed negotiations and a "Cross-Conveyed Pooling and Participation Agreement" to pool the petroleum and natural gas rights in the Triassic Montney formation held by Blackbird and partners with those held jointly by Trilogy Energy and TAQA

North Ltd. in adjacent properties for the purpose of drilling an extended reach horizontal, joint well on the Pooled Lands. Pursuant to the agreement, Blackbird will hold an undivided 12.5% pooled interest in the Pooled Lands and will participate as to a 12.5% working interest in the development of the pooled lands, which may potentially include drilling up to four extended reach joint wells on the pooled lands. After pooling, Blackbird held interests in a total of 8 sections (5,120 acres) or 1.75 net sections (1,120 acres) of land at the Bigstone Project. Pre-pooling, Blackbird held a 25% interest in 7 sections (4,480 acres) or 1.75 net sections (1,120 acres) at the Bigstone Project.

On March 15, 2012, Blackbird completed a second brokered private placement with PI Financial Corp. as lead agent. In the first tranche of such financing, Blackbird raised gross proceeds of $1,489,000 through the issuance of a total of 8,637,500 flow-through units at a price of $0.16 per flow-through unit and 668,750 units a price of $0.16 per unit. Each unit consisted of one Blackbird Share and one share purchase warrant with each share purchase warrant entitling the holder thereof to purchase one additional Blackbird Share at a price of $0.24 until March 15, 2014 and each flow-through unit consisted of one Blackbird Share and one-half of one share purchase warrant with each share purchase warrant entitling the holder thereof to purchase one additional Blackbird Share at a price of $0.24 until March 15, 2014. In conjunction with the first tranche, Blackbird also closed a non-brokered portion for gross proceeds of $590,960 through the issuance of a total of 950,000 flow-through units and 2,743,500 units. Blackbird also subsequently closed a second tranche of the brokered private placement for gross proceeds of $500,000 on April 5, 2012. An aggregate of 3,125,000 units were issued in this second tranche and the warrants comprised in such units are exercisable at a price of $0.24 until April 5, 2014.

Year ended July 31, 2013

On December 14, 2012, Blackbird closed its acquisition of Ruger, a junior oil and gas exploration and development company in Alberta, whereby Blackbird issued an aggregate of 47,143,250 units to the shareholders of Ruger pursuant to the terms of a Securities Exchange Agreement dated September 24, 2012, as subsequently extended and amended. Each unit consisted of one Blackbird Share and one-half of one Blackbird share purchase warrant. Each share purchase warrant entitled the holder to purchase one additional Blackbird Share at a price of $0.24 until April 5, 2014. At the time of completion of the acquisition, Ruger held a 100% working interest in certain wells located in the Alsask area located on the Alberta/Saskatchewan border (the "**Alsask Project**").

In conjunction with the acquisition of Ruger, Blackbird implemented certain management changes with the addition of Darrell Denney, Sean Campbell and Murray Scalf (subsequently resigned) to Blackbird's board of directors, and the appointment of Darrell Denney as Chief Operating Officer.

In 2013, Blackbird completed a series of asset acquisitions through Ruger. Beginning on January 15, 2013, Ruger purchased certain oil and gas assets in the Flaxcombe area of Saskatchewan (the "**Flaxcombe Project**") from Twin Butte Energy Inc. for total cash consideration of $540,000. The Flaxcombe Project is located near the oil production and water disposal facilities of the Alsask Project. In February 2013, Blackbird completed the first Sparky zone work-over in well 22/16-13-29-27W3 at the Flaxcombe Project with production from the well commencing immediately thereafter. The successful workover of the well doubled production from the Flaxcombe Project to approximately 53 boe/d. Subsequently, Blackbird also recompleted the Sparky zone of a well in the Flaxcombe Project that was originally completed as a Mannville natural gas well.

In March 2013, Ruger purchased certain oil and gas assets from Home Quarter Resources Ltd. for total cash consideration of $115,000. The assets are comprised of 25 sections of petroleum and natural gas Rights (16,000 net acres) located near the Flaxcombe and Alsask Projects oil production facilities in West Central Saskatchewan. The acquisition provided Blackbird with a 100% working interest in 25 sections, at an average cost of $4,600 per section, subject to a 6% gross overriding royalty in favour of the Home Quarter Resources Ltd. and standard crown royalties.

In April 2013, Ruger also purchased certain oil and gas assets to add to its Flaxcombe Project from Blackspur Oil Corp. for total cash consideration of $100,000 (the "**East Flaxcombe Addition**"). At the time, production from the East Flaxcombe Addition was 10 boe/d.

In June 2013, Blackbird acquired more than 1,280 acres of petroleum and natural gas rights targeting the Lower Mannville (the "**Dankin Project**"), formerly referred to by the Corporation as the Mantario Project, completed and evaluated 2D and 3D seismic on the lands, and in July 2013, Blackbird entered into a farm-out agreement for the Dankin Project (the "**Pennant Farmout Agreement**") with Pennant. Under the terms of the Pennant Farmout Agreement, Pennant could earn a 30% working interest in certain lands and leases comprising the Dankin Project. To earn the 30% interest, Pennant was required to pay to Blackbird 50% of the land acquisition costs incurred to the date of the Pennant Farmout Agreement including brokerage and transfer costs, and 50% of the 3D seismic program including geological and geophysical interpretation. Pennant was also required to pay 50% of the drilling, completing, equipping and tie-in costs of the test well to earn the working interest. By completing the requirements under the Pennant Farmout Agreement, Pennant earned a 30% interest in the Dankin Project.

In July 2013, David Finn, a director and audit committee member of the Corporation since 2009, passed away.

Nine Months Ended April 30, 2014

In September 2013, the Corporation announced plans to spud its first Dankin Project Success formation well at A15-6-26-24W3 in the fourth quarter of 2013. The well was subsequently completed and put into production in early November 2013.

In September 2013, the Corporation appointed Joshua Mann as the Corporation's Vice President, Business Development. In connection with his appointment, Mr. Mann was granted an aggregate of 1,200,000 incentive stock options exercisable at a price of $0.11 per Blackbird Share until September 1, 2018.

In October 2013, Blackbird, through its wholly-owned subsidiary Ruger, acquired certain oil and gas assets consisting of two sections of petroleum and natural gas rights comprising a total of 1,280 acres located in Bromhead in South East Saskatchewan (the "**Bromhead Project**") from Weyburn Energy Ltd. The acquisition provided Blackbird with a 100% working interest in two sections for a total purchase price of $52,000, subject to a 6% non-convertible GORR with a maximum of 25% deductions in favour of Weyburn Energy Ltd. and a 2% GORR in favour of Ralco Ventures.

On November 7, 2013, Blackbird completed a private placement by way of issuance of 26,148,463 units at a price of $0.09 per unit and 7,340,000 flow-through shares at $0.10 per flow-through share for aggregate gross proceeds of $3,087,361. Each unit consisted of one Blackbird Share and one Blackbird Share purchase warrant exercisable to acquire one additional Blackbird Share at a price of $0.15 per Blackbird Share until November 7, 2018. The warrants are subject to an early acceleration provision which provides for the mandatory exercise or expiry of the warrants in the event Blackbird’s Shares close at $0.30 or higher for at least 10 consecutive trading days. In such event, the warrants will accelerate and expire 30 days after Blackbird has given notice of the acceleration to the Blackbird warrant holders.

Between September 2013 and September 2014, Blackbird acquired holdings of Montney petroleum and natural gas rights in the Elmworth area of Alberta comprising 40 sections (25,600 acres), 36 of which are contiguous (the "**Elmworth Project**"). Blackbird had entered into an agreement for the potential grant of a 2% GORR in regards to these lands to Fountainhead Energy Inc., a company owned by Terry Skilnick, who, through Fountainhead Energy Inc. was appointed as Blackbird's chief consulting geologist in March of 2013. Mr. Skilnick subsequently resigned and ceased acting in this capacity in May of 2014 and the Corporation is currently in discussions with Mr. Skilnick to reduce the GORR.

In October 2013, Murray Scalf resigned from the Corporation's board of directors.

In November 2013, the Corporation announced that it would relocate its office from Vancouver to Calgary in the first quarter of 2014 in order to consolidate the location of its management team.

On November 19, 2013, Blackbird granted an aggregate of 5,275,000 stock options to directors, officers, employees and consultants of Blackbird at an exercise price of $0.105 per Blackbird Share. These stock options expire on November 19, 2018.

In January 2014, the Corporation re-completed its first re-entry at the Bromhead Project and encountered a non-commercial amount of hydrocarbons in the one zone perforated to date (Midale Vuggy).

On April 17, 2014, Blackbird completed the acquisition, by plan of arrangement and in accordance with the terms of an arrangement agreement dated February 17, 2014 (the "**Arrangement**"), of 100% of the issued and outstanding common shares in the capital of Pennant, in exchange for Blackbird Shares. At the time Pennant was an oil and liquids focused development and production company listed on the TSX-V with non-operated assets located in Saskatchewan, and Alberta including a 25% non-operated working interest in the Bigstone Project. Following closing of the Arrangement, together with Pennant's Bigstone interest, Blackbird's consolidated interest in the Bigstone Project increased to a 50% non-operated working interest (the "**Bigstone Asset**"). Blackbird and Pennant had also previously entered in the Pennant Farmout Agreement with respect to the Dankin Project, and completion of the Arrangement thereby resulted in Blackbird re-obtaining a 100% interest in the Dankin Project.

Under the terms of the Arrangement, Pennant shareholders received, in exchange for each common share of Pennant held, 0.42857 of a Blackbird Share, for an aggregate total of 29,253,954 Common Shares. The Arrangement was structured as a plan of arrangement pursuant to the BCBCA, and resulted in Pennant becoming a wholly-owned subsidiary of Blackbird. The Arrangement was approved by the Pennant Shareholders, the TSX-V and the Supreme Court of British Columbia.

RECENT DEVELOPMENTS

On May 21, 2014, Blackbird appointed William C. Macdonald to its board of directors. Mr. Macdonald has over thirty years of petroleum land management experience in western Canada and is a member of the Canadian Association of Petroleum Landmen. In connection with his appointment, Mr. Macdonald was granted 750,000 incentive stock options exercisable at a price of $0.27 until May 21, 2019.

On July 15, 2014, Blackbird announced its entry into a Farmout Agreement with a private oil and gas investment company to drill the first two horizontal wells at the Dankin Project. Under the terms of the Farmout Agreement, the private company will pay an aggregate of approximately $1,600,000, or 100% of the costs to drill, complete and equip two horizontal wells with a minimum of 600 metres of horizontal length, in order to earn a 50.0% working interest in the Dankin Project. In addition, the private company will also pay approximately $200,000 for land acquisition costs and data incurred by Blackbird in respect of the subject lands. Blackbird will be the operator for the project. The Farmout Agreement terminated on October 1, 2014, and as of the date of this AIF, Blackbird has not received the $200,000 payment for land acquisition costs and data incurred by Blackbird in respect of the subject lands. Blackbird has verbally agreed with the private company to extend the termination date of the Farmout Agreement; however, Blackbird cannot provide any assurance that the proposed transaction will proceed as per the terms set-out in the Farmout Agreement, or whether the proposed transaction will proceed at all.

In July 2014, the Corporation announced that it had commenced the licensing process for its first well at the Elmworth Project targeting the Upper Montney.

On August 15, 2014, Blackbird announced the proposed sale of the Bigstone Asset, comprised of 8.0 gross (3.5 net) sections of Montney rights, to Delphi Energy Corp. The sale was subsequently completed on September 15, 2014 for cash consideration of $8.8 million (with applicable GST and customary industry adjustments, a total of $8.89 million was received by Blackbird).

On August 15, 2014, Blackbird announced the planned drilling of its first horizontal well targeting the Upper Montney at the Elmworth Project. Subject to license approval, the well will be spud in the fourth quarter of 2014 at location 10-26-70-07W6, and will be drilled to a depth of approximately 2,300 metres with a horizontal reach of approximately 2,700 metres.

On September 2, 2014, Blackbird announced the grant of an aggregate of 1,100,000 stock options to a consultant and to an employee of the Corporation. The options are exercisable at a price of $0.32 until August 29, 2019.

On September 11, 2014, Blackbird announced the closing of the purchase of a total of 85.0 net sections of Montney prospective land. Eight of such sections are contiguous with Blackbird's existing 28 sections of land at the Elmworth Project and 77 sections of land are located in East Wapiti (the "**East Wapiti Project**"), northeast of the Elmworth Project. Completion of this land acquisition increased Blackbird's contiguous land position at the Elmworth Project to 36 sections.

On September 11, 2014, Blackbird announced the appointment of Randy Schmautz as the Corporation's Vice President, Drilling and Completions. In connection with his appointment, Mr. Schmautz was granted an aggregate of 1,000,000 incentive stock options exercisable at a price of $0.365 per Blackbird Share until September 10, 2019.

On September 16, 2014, Blackbird announced the appointment of Joshua Wylie as Manager, Land. In connection with his appointment, Mr. Wylie was granted 500,000 stock options exercisable at a price of $0.385 until September 15, 2019.

On September 22, 2014, Blackbird announced a combined brokered and non-brokered private placement (the "**Offering**") of (i) special warrants, each entitling the holder thereof to receive, for no additional consideration upon its exercise or deemed exercise, one Common Share ("**Special Warrants**") at a price of $0.29 per Special Warrant and (ii) Common Shares issued as "flow-through shares" ("**Flow-Through Shares**") at a price of $0.39 per Flow-Through Share.

On September 22, 2014, Blackbird also announced the appointment of Kevin Andrus to its board of directors. Mr. Andrus' appointment as a director became effective September 29, 2014. In connection with his appointment, Mr. Andrus was granted 750,000 incentive stock options exercisable at a price of $0.34 until October 7, 2019.

On October 17, 2014, Blackbird completed the non-brokered portion of the Offering (the "**Non-Brokered Tranche**") consisting of 24,138,241 Special Warrants for gross proceeds of $7,000,089.

On October 20, 2014, Blackbird announced that it had spud its first Middle Montney well at the Elmworth Project. The well was spud from surface location 14-14-70-07W6 and would be drilled to a vertical depth of approximately 2,330 metres and a lateral length of approximately 2,000 metres to location 6-26-70-07W6. Blackbird further announced that, upon completion of the 6-26-70-07W6 well, it would immediately commence the drilling of its second well at the Elmworth Project targeting the Upper Montney from the same drilling pad, also to location 6-26-70-07W6.

On October 21, 2014, Blackbird completed the brokered portion of the Offering (the "**Brokered Tranche**") comprised of 86,207,000 Special Warrants and 15,900,000 Flow-Through Shares for gross proceeds of $30,406,030. In connection with the Brokered Tranche, the syndicate of underwriters led by National Bank Financial Inc. received a cash commission in the amount of $1,486,661.50.

In connection with the Offering, the Corporation has agreed to prepare and file a prospectus (the "**Qualification Prospectus**") and all other necessary documents in order to qualify the Common Shares issuable upon conversion of the Special Warrants to subscribers resident in Canada, or otherwise subject to Canadian securities laws. The Corporation has agreed to use commercially reasonable best efforts to obtain a receipt for the Qualification Prospectus by December 21, 2014.

On October 22, 2014, Blackbird granted a total of 500,000 stock options exercisable at a price of $0.415 until October 22, 2019 to the Corporation's new Controller.

On November 6, 2014, Blackbird announced that it has acquired a 100% interest in ten additional sections (6,400 net acres) of Montney rights which are contiguous or within one mile of the Corporation's Elmworth Project.

DESCRIPTION OF THE BUSINESS

Overview

Blackbird is focused on originating new high quality oil and liquids rich gas projects in northwest Alberta. Blackbird's core project is the Elmworth Project located near Grande Prairie, Alberta.

Corporate Strategy

Strategic and/or accretive acquisitions of oil and gas properties which are synergistic to the Corporation's operational focus are an important component of the Corporation's growth plans.

As part of this strategy, the Corporation:

- Strives to identify oil and gas projects targeting the Montney formation;
- Focuses on completing timely land acquisitions of repeatable and scalable plays; and
- Pursues growth through the drill bit in the Montney while building a multi-zone resource.

To achieve sustainable and profitable growth, in reviewing potential acquisition opportunities, the Corporation gives consideration to the following criteria:

- risk capital to secure or evaluate the opportunity;
- the potential return on the project, if successful;
- the likelihood of success; and
- risked return versus cost of capital.

The Board may however, in its discretion, approve asset or corporate acquisitions or investments that do not conform to the guidelines discussed above based upon the Board's consideration of the qualitative aspects of the subject properties, including risk profile, technical upside, reserve life, strategic importance and asset quality.

Projects

Elmworth Project

Blackbird's core project, the Elmworth Project, consists of 50.0 net sections (32,000 net acres), 46 of which are contiguous. Blackbird holds a 100% working interest in the Elmworth Project. The Corporation believes the exploration risk of the Elmworth Project to have been significantly reduced through the drilling in the vicinity by industry majors. Currently and going forward, Blackbird expects the Elmworth Project to be its predominant focus. On October 20, 2014 Blackbird announced that it had spud its first Middle Montney well at the Elmworth Project. The well was spud from surface location 14-14-70-07W6 and would be drilled to a vertical depth of approximately 2,330 metres and a lateral length of approximately 2,000 metres to location 6-26-70-07W6. Blackbird further announced that, upon completion of the 6-26-70-07W6 well, it would immediately commence the drilling of its second well at the Elmworth targeting the Upper Montney from the same drilling pad, also to location 6-26-70-07W6.

East Wapiti Project

The Corporation's Wapiti Project consists of 77.0 net sections (49,280 net acres) in a Montney resource prospective corridor north east of Blackbird's Elmworth project. Blackbird has only begun its initial geological review but has begun to identify prospective targets.

Bigstone Project

On September 15, 2014, Blackbird completed the sale of the Bigstone Asset, being all of Blackbird's interest in the Bigstone Project, for cash consideration of $8.8 million.

Dankin Project (formerly referred to by the Corporation as the Mantario Project)

Blackbird's Dankin Project consists of 1,920 acres (1,344 net acres) in the Dankin oil area in west central Saskatchewan in which the Corporation has a 100% working interest. Effective July 7, 2014, Blackbird entered into a Farmout Agreement with a private oil and gas investment company to drill the first two horizontal wells at the Dankin Project. Under the terms of the Farmout Agreement, the private company is required to pay an aggregate of approximately $1,600,000, or 100% of the costs to drill, complete and equip two horizontal wells with a minimum of 600 metres of horizontal length, in order to earn a 50% working interest in the Dankin Project. Blackbird is the operator of the Dankin Project. The Farmout Agreement terminated on October 1, 2014. See "Recent Developments".

Flaxcombe Project

The Flaxcombe Project consists of 21,227 acres (20,740 net acres) near Flaxcombe, Saskatchewan and had production for the nine months ended April 30, 2014 of 28.6 boe/d. Blackbird has a 100% working interest in the Sparky oil pool with four producing oil wells.

Alsask Project

The Alsask Project lands consist of 1,120 gross acres (1,120 net acres) on the Alberta/Saskatchewan border. The Alsask Project has two producing Basal Mannville oil wells, with production for the nine months ended April 30, 2014 of 8.7 boe/d, and one water disposal well with 250 bwpd disposal on vacuum. The Alsask Project also has additional oil treating and water disposal capacity.

Employees, Executive and Key Personnel

As at July 31, 2013, Blackbird had three executive officers and no employees and as at April 30, 2014, Blackbird had one employee and five executive officers. As of the date of this AIF, Blackbird had four employees and six executive officers. All of the Corporation's executive officers other than Ron Schmitz, Chief Financial Officer and Randy Schmautz, Vice President, Drilling and Completions provide their services to the Corporation through management employment agreements. Ron Schmitz provides his services through ASI Accounting Services Inc. on a month-to-month basis with no formal agreement and Randy Schmautz provides his services under a consulting agreement with Blackbird.

Competitive Conditions

The oil and gas industry is highly competitive particularly as it pertains to the search for and development of new sources of oil and natural gas reserves, the construction and operation of oil and natural gas pipelines and facilities, and the transportation and marketing of oil, natural gas, sulphur and other petroleum products. Blackbird's competitors include numerous other independent oil and gas companies, some of which have greater financial, technical and other resources than Blackbird. See "Risk Factors — Competition".

Seasonal Factors

The exploration for, and development of, oil and natural gas reserves is dependent on access to areas where exploration and production activities are to be conducted. Seasonal weather variations affect access in certain circumstances. See "Risk Factors — Seasonality".

Pricing and Marketing — Natural Gas

The price of the vast majority of natural gas produced in western Canada is now determined through highly liquid market hubs such as the Alberta Nova Inventory Transfer ("**NIT**") hub rather than through direct negotiation between buyers and sellers. Natural gas exported from Canada is subject to regulation by the National Energy Board ("**NEB**") and the Government of Canada. Exporters are free to negotiate prices and other terms with purchasers, provided that the export contracts must continue to meet certain other criteria prescribed by the NEB and the Government of Canada. Natural gas (other than propane, butane and ethane) exports for a term of less than two years or for a term of two to 20 years (in quantities of not more than 30,000 m^3/day) must be made pursuant to an NEB order. Any natural gas export to be made pursuant to a contract of longer duration (to a maximum of 25 years) or for a larger quantity requires an exporter to obtain an export licence from the NEB.

The government of Alberta also regulates the volume of natural gas that may be removed from the province for consumption elsewhere based on such factors as reserve availability, transportation arrangements and market considerations.

Pricing and Marketing — Oil

In Canada, producers of oil negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. The price depends in part on oil type and quality, prices of competing fuels, distance to market, the value of refined products and the supply/demand balance. Oil exports may be made pursuant to export contracts with terms not exceeding one year in the case of light crude, and not exceeding two years in the case of heavy crude, provided that an order approving any such export has been obtained from the NEB. Any oil export to be made pursuant to a contract of longer duration (to a maximum of 25 years) requires an exporter to obtain an export licence from the NEB.

Pipeline Capacity

Although pipeline expansions are ongoing, the lack of firm pipeline capacity continues to affect the oil and natural gas industry and limit the ability to produce and to market natural gas production. In addition, pro-rationing of capacity on the inter-provincial pipeline systems also continues to affect the ability to export oil and natural gas. See "Risk Factors — Markets and Marketing".

Environmental Protection

The oil and natural gas industry is currently subject to environmental regulations pursuant to a variety of provincial and federal legislation. Compliance with such legislation can require significant expenditures or result in operational restrictions. Breach of such requirements may result in suspension or revocation of necessary licences and authorizations, civil liability for pollution damage and the imposition of material fines and penalties, all of which could potentially have a significant negative impact on earnings and overall competitiveness. See "Risk Factors —Environmental Risks and Regulations" and "Risk Factors — Climate Change".

Specialized Skill and Knowledge

Management of the Corporation believes that its success is dependent on the performance of Blackbird's management and consultants, many of whom have specialized knowledge and skills relating to oil and gas operations and public company management. The loss of any of these individuals could have an adverse effect on Blackbird. See "Risk Factors - Reliance on Key Personnel".

Land Tenure

Crude oil and natural gas located in Alberta and Saskatchewan are owned predominantly by the respective provincial governments, generally termed the "crown". Provincial governments grant rights to explore for and produce oil and natural gas under leases, licenses and permits with terms generally varying from two years to five years and on conditions contained in provincial legislation. Leases, licenses and permits may be continued indefinitely by producing under the lease, license or permit. Some of the oil and natural gas located in these provinces is freehold (privately owned) and rights to explore for and produce oil and natural gas are granted by the mineral owners on negotiated terms and conditions.

Hydraulic Fracturing

The proliferation of the use of hydraulic fracturing as a recovery technique employed in oil and natural gas drilling has given rise to increased public scrutiny of its environmental aspects, particularly with respect to its potential impact on local aquifers. Blackbird utilizes hydraulic fracturing in certain wells. Blackbird believes that the hydraulic fracturing that the Corporation conducts, given the depth and location of the wells and the consistent utilization of responsible oilfield practices, is environmentally sound in general and would not give rise to concerns raised respecting local aquifers.

Blackbird anticipates that there will be a trend toward increased regulatory requirements concerning hydraulic fracturing in the future. The Canadian Association of Petroleum Producers has announced new hydraulic fracturing operating practices designed to improve water management and water and fluids reporting for shale gas and tight gas development across Canada. Regulatory agencies in Alberta and Saskatchewan currently have regulations in place that require companies to disclose wells hydraulically fractured and the ingredients of hydraulic fracturing fluids. See "Risk Factors — Hydraulic Fracturing".

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

On November 26, 2013, the Corporation filed the following documents, effective July 31, 2013, as required under NI 51-101. These documents are incorporated by reference into this AIF and available for review under Blackbird's profile at www.sedar.com.

- *NI 51-101F1 – Statement of Reserves Data and Other Oil and Gas Information*. Blackbird's Statement of Reserves Data and Other Oil and Gas Information on Form 51-101F1 is dated effective July 31, 2013 (the "**Statement**") and was evaluated by Fekete Associates Inc. (recently acquired by IHS Inc.) and by GLJ Petroleum Consultants Ltd. ("**GLJ**"), who are independent qualified reserves evaluators as defined under NI 51-101. For a complete description of the oil and natural gas reserves of Blackbird, the assumptions, qualifications and procedures associated with the information in the Statement, reference should be made to the full text of the Statement, which is available for review under Blackbird's profile on SEDAR at www.sedar.com.

- *NI 51-101F2 – Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor.*

- *NI 51-101F3 – Report of Management and Directors on Oil and Gas Disclosure*.

Impact of Acquisition of Pennant and Subsequent Sale of Bigstone Project

On April 17, 2014, Blackbird completed the Arrangement for the acquisition of Pennant. As Pennant's primary asset was its working interest in the Bigstone Asset, which was the same working interest as Blackbird, the Blackbird reserves attributable to the Bigstone Asset effectively doubled.

On September 15, 2014, Blackbird completed the sale of the Bigstone Asset for cash consideration of $8.8 million (with applicable GST and customary industry adjustments, a total of $8.89 million was received by Blackbird). As the Bigstone Asset comprised all but a minor portion of the Corporation's natural gas and NGL reserves, the sale of the Bigstone Asset significantly reduced the Corporation's reserves.

In summary, the Corporation's oil and gas reserves excluding the Bigstone Asset did not result in any changes to Corporation's heavy oil reserves, but resulted in gross and net reductions of the Corporation's natural gas and natural gas liquids by approximately 98% and 99% respectively. The corresponding reduction in net present value of future net revenues resulted in a decrease ranging from 95% to 98%. The Statement incorporated herein by reference did not account for the Pennant acquisition or the Bigstone Asset and as such the information contained therein has not materially changed as a result of the Pennant acquisition or the subsequent sale of the Bigstone Asset.

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates set forth above are based on current production forecasts, prices and economic conditions. As circumstances change and additional data becomes available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices, and reservoir performance. Such revisions can be either positive or negative.

DIVIDENDS

Blackbird has not paid any dividends since its incorporation. Any determination to pay any future dividends will remain at the discretion of the Blackbird Board and will be made based on Blackbird's financial condition and other factors deemed relevant by the Blackbird Board. There are no restrictions that could prevent Blackbird from paying dividends or distributions.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at July 31, 2013, there were 124,074,266 Common Shares and no Preferred Shares issued and outstanding. As at April 30, 2014, there were 186,918,111 Common Shares and no Preferred Shares issued and outstanding. As at the date of this AIF, there were 223,989,862 Common Shares, 110,345,241 Special Warrants and no Preferred Shares issued and outstanding

The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares and Preferred Shares:

Common Shares

Blackbird is authorized to issue an unlimited number of Common Shares. The holders of Common Shares are entitled to dividends, if, as and when declared by the Board, entitled to one vote per share at meetings of the holders of Common Shares and, upon dissolution, entitled to share equally in such assets of Blackbird as are distributable to the holders of Common Shares and subject to the rights of the holders of Preferred Shares.

Special Warrants

The Special Warrants were created pursuant to and are governed by a special warrant indenture dated October 16, 2014 (the "**Special Warrant Indenture**") between Blackbird and Computershare Trust Company of Canada. The following summary of certain provisions of the Special Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Special

Warrant Indenture, a copy of which is available under the Corporation's profile on SEDAR at www.sedar.com.

Pursuant to the Special Warrant Indenture, each Special Warrant is exercisable, without payment of any additional consideration, into one Common Share at any time following, as applicable, the closing date of the Brokered Tranche or the Non-Brokered Tranche, and all unexercised Special Warrants will be deemed to be exercised on the earlier of: (i) the third business day after the date a receipt is issued for the Qualification Prospectus by the applicable securities regulators; and (ii) at 4:59 p.m. (Calgary time) on February 18, 2015 in the case of Special Warrants issued in the Non-Brokered Tranche and February 22, 2015 in the case of the Special Warrants issued in the Brokered Tranche.

The Special Warrant Indenture provides that in the event of certain alterations of the Common Shares, including any subdivision, consolidation or reclassification, and in the event of a capital reorganization of the Corporation, including any amalgamation, merger or arrangement or a sale or conveyance of the property or assets of the Corporation, as an entirety or substantially an entirety, an adjustment shall be made to the terms of the Special Warrants such that the holders shall, upon exercise of the Special Warrants following the occurrence of any of those events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had they exercised their Special Warrants prior to the occurrence of those events. No fractional Common Shares will be issued upon the exercise of the Special Warrants. The holding of Special Warrants does not make the holder thereof a shareholder of the Corporation or entitle the holder to any right or interest in respect of the Common Shares except as expressly provided in the Special Warrant Indenture.

The Special Warrant Indenture provides that all holders of Special Warrants shall be bound by any resolution passed at a meeting of the holders of Special Warrants held in accordance with the provisions of the Special Warrant Indenture and resolutions signed by the holders of a specified majority of Special Warrants then outstanding.

Preferred Shares

Blackbird is authorized to issue an unlimited number of Preferred Shares. Preferred Shares may be issued in one or more series. Subject to the BCBCA, the Board may, by resolution, if none of the shares of any particular series are issued, alter the Articles of Blackbird and authorize the alteration of the notice of articles of Blackbird, as the case may be, to do one or more of the following:

(a) determine the maximum number of shares of that series that Blackbird is authorized to issue, determine that there is no such maximum number, or alter any such determination;

(b) create an identifying name for the shares of that series, or alter any such identifying name; and

(c) attach special rights or restrictions to the shares of that series, or alter any such special rights or restrictions.

The holders of Preferred Shares shall be entitled, on the liquidation or dissolution of Blackbird, whether voluntary or involuntary, or on any other distribution of its assets among the holders of Common Shares for the purpose of winding up its affairs, to receive, before any distribution is made to the holders of Common Shares or any other shares of Blackbird ranking junior to the Preferred Shares with respect to the repayment of capital on the liquidation or dissolution of Blackbird, whether voluntary or involuntary, or on any other distribution of its assets among the holders of Common Shares for the purpose of winding up its affairs, the amount paid up with respect to each Preferred Share held by them, together with the fixed premium (if any) thereon, all accrued and unpaid cumulative dividends (if any and if preferential) thereon, which for such purpose shall be calculated as if such dividends were accruing on a day-to-day basis up to the date of such distribution, whether or not earned or declared, and all declared and unpaid non-cumulative dividends (if any and if preferential) thereon. After payment to the holders of the Preferred Shares of the amounts so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of Blackbird, except as specifically provided in the special rights and restrictions attached to any particular series. All assets remaining after payment to the holders of Preferred Shares as aforesaid shall be distributed ratably among the holders of the Common Shares.

Except for such rights relating to the election of directors on a default in payment of dividends as may be attached to any series of the Preferred Shares by the Blackbird Board, holders of Preferred Shares shall not be entitled, as such, to receive notice of, or to attend or vote at, any general meeting of holders of Common Shares.

MARKET FOR SECURITIES

Trading Price and Volume

Common Shares are listed on the TSX-V under the symbol "BBI". The following table provides high and low sales prices and trading volume of the Common Shares for the periods indicated:

Month	High ($)	Low ($)	Volume
November 2014 (up to November 10)	0.41	0.35	5,740,254
October 2014	0.445	0.265	25,797,239
September 2014	0.41	0.29	62,858,334
August 2014	0.35	0.21	27,495,110
July 2014	0.265	0.18	12,955,377
June 2014	0.30	0.19	21,511,333
May 2014	0.31	0.175	38,255,796
April 2014	0.245	0.09	23,966,157
March 2014	0.135	0.08	18,827,192
February 2014	0.11	0.055	8,902,280
January 2014	0.08	0.065	3,338,814
December 2013	0.10	0.08	2,008,933
November 2013	0.12	0.085	5,066,770
October 2013	0.12	0.075	6,831,225
September 2013	0.11	0.065	2,894,510
August 2013	0.115	0.045	2,883,033
Quarter ended July 31, 2013	0.07	0.045	2,597,130
Quarter ended April 30, 2013	0.10	0.04	9,403,293
Quarter ended January 31, 2013	0.10	0.06	2,950,602
Quarter ended October 31, 2012	0.125	0.065	3,308,881
Quarter ended July 31, 2012	0.145	0.08	2,128,161

Month	High ($)	Low ($)	Volume
Quarter ended April 30, 2012	0.19	0.13	6,435,705
Quarter ended January 31, 2012	0.265	0.175	9,556,385

Prior Sales

See "Description of the Business" for information regarding Blackbird Shares issued during the year ended July 31, 2013 and during the nine month period ended April 30, 2014.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

At present, the directors of Blackbird are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with Blackbird's Articles or until such director's earlier death, resignation or removal. The Blackbird Board currently consists of Garth Braun, William L. Macdonald, Ron Schmitz, Darrell Denney, Sean Campbell, William C. Macdonald and Kevin Andrus.

The following table sets forth, for each of the directors and executive officers of Blackbird, the individual's name, municipality of residence, position held with Blackbird, principal occupation and, in the case of the directors, the period during which the individual has served as a director of Blackbird:

Name Province or State and Country of Residence and Position(s) with Blackbird	Principal Occupation, Business or Employment for Last Five Years	Director and/or Officer Since	Number of Common Shares Owned(1)
Garth Braun BC, Canada *President, CEO and Director*	Chief Executive Officer of the Corporation since November 2009.	November 9, 2009	6,457,411(3)
William L. Macdonald(2) BC, Canada *Director*	Solicitor, founder and principal of Macdonald Tuskey, Corporate and Securities Lawyers since April 2008.	May 16, 2008	1,537,000(4)
Ron A. Schmitz(2) BC, Canada *Chief Financial Officer and Director*	Principal and President of ASI Accounting Services Inc. since 1995.	July 3, 2008	1,189,234(5)

Name Province or State and Country of Residence and Position(s) with Blackbird	Principal Occupation, Business or Employment for Last Five Years	Director and/or Officer Since	Number of Common Shares Owned(1)
Darrell Denney AB, Canada *Chief Operating Officer and Director*	Chief Operating Officer of the Corporation since December 2012. Prior thereto, President of Ruger Energy Inc. from 2011 to 2014 and Vice President of Operations with Dorado Energy Inc. from 2007 to 2010.	December 14, 2012	4,961,064(6)
Sean Campbell AB, Canada *Director*	Vice President, Suretech Completions Canada Ltd. since December 2011. Prior thereto, President of Sure Tech Tool Services Inc. from 2009 to 2011.	December 14, 2012	24,760,000(7)
William C. Macdonald(2) AB, Canada *Director*	President of Bilmac Resources Ltd., an oil and gas consulting firm, since October 1995.	May 21, 2014	-
Kevin Andrus Colorado, United States *Director*	Portfolio Manager of Energy Investments for GMT Capital Corp. since October 2011. Prior thereto, Lead Portfolio Manager with Colorado Capital Advisors LLC from January 2006 to December 2011.	September 29, 2014	115,000
Joshua Mann AB, Canada *Vice President Business Development*	Vice President, Business Development of the Corporation since September 2013. Prior thereto, Investment Banker with Stifel Nicolaus Weisel from March 2011 to August 2013.	September 1, 2013	211,111(8)
Ralph Allen AB, Canada *Vice President Exploration*	Vice President, Exploration of the Corporation since February 2013. Prior thereto, Instructor in Share Resource Evaluation with PetroSkills from January 2013 to January 2014 and President of Ralco Ventures Ltd. from August 1987 to January 2013.	March 1, 2014	1,213,500

Name Province or State and Country of Residence and Position(s) with Blackbird	Principal Occupation, Business or Employment for Last Five Years	Director and/or Officer Since	Number of Common Shares Owned(1)
Randy Schmautz AB, Canada *Vice President Drilling and Completions*	Vice President, Drilling and Completions of the Corporation since September 2014. Prior thereto, various drilling and completions management roles with Trilogy Energy Corp. from 2012 to 2014 and Progress Energy Resources Corp. from 2008 to 2012.	September 11, 2014	120,000

(1) The information as to Common Shares beneficially owned, not being within the knowledge of Blackbird, has been obtained from SEDI or furnished by the directors individually. Does not include Common Shares issuable upon exercise of incentive stock options or share purchase warrants. Information is presented as at November 10, 2014.
(2) Member of Audit Committee.
(3) Of the 6,457,411 Common Shares held by Mr. Braun, 300,000 Common Shares are registered in the name of Mr. Braun's spouse. Mr. Braun also holds 1,380,000 Special Warrants registered in the name of G.K. Braun Limited, a company controlled by Mr. Braun, which Special Warrants will convert into Common Shares without the payment of any additional consideration by February 18, 2015.
(4) Of the 1,537,000 Common Shares held by Mr. Macdonald, 100,000 Common Shares are registered in the name of Black Prince Investments Ltd., a company controlled by Mr. Macdonald.
(5) Of the 1,189,234 Common Shares held by Mr. Schmitz, 200,000 Common Shares are registered in the name of Mr. Schmitz's spouse and 440,000 Common Shares are registered in the name of RAS Capital Corp., a company controlled by Mr. Schmitz. Mr. Schmitz also holds 60,683 Special Warrants registered in the name of RAS Capital Corp., which will convert into Common Shares without the payment of any additional consideration by February 18, 2015.
(6) Of the 4,961,064 Common Shares held by Mr. Denney, 2,150,532 Common Shares are registered in the name of Mr. Denney's spouse. Mr. Denney also holds 260,000 Special Warrants which will convert into Common Shares without the payment of any additional consideration by February 18, 2015.
(7) All of these Common Shares are registered in the name of 1597072 Alberta Ltd., a company controlled by Mr. Campbell. Mr. Campbell also holds 1,724,138 Special Warrants which will convert into Common Shares without the payment of any additional consideration by February 18, 2015.
(8) Mr. Mann also holds 34,483 Special Warrants which will convert into Common Shares without the payment of any additional consideration by February 18, 2015.
(9) The spouse of Mr. Schmautz also owns 758,621 Special Warrants of which Mr. Schmautz is the beneficial holder. These Special Warrants will convert into Common Shares without the payment of any additional consideration by February 18, 2015.

As a group, directors and executive officers of Blackbird beneficially own, control or direct, directly or indirectly, an aggregate of 40,564,320 Common Shares, or approximately 18%, of the issued and outstanding Common Shares based on 223,989,862 Common Shares issued and outstanding as at the date hereof on a non-diluted basis.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed herein, to the best of Blackbird management's knowledge, no director or executive officer of Blackbird is or has been within 10 years before the date of this AIF, a director, CEO or CFO of any company (including Blackbird) that: (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied that person or company access to any exemption under securities legislation for a period of more than 30 consecutive days, or (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity of director, CEO or CFO.

On July 7, 2005, trading in the shares of Touchstone Resources Ltd. ("**Touchstone**") was halted by the TSX-V due to a resignation from the board of Touchstone, resulting in Touchstone having an insufficient number of directors. On July 12, 2005, the halt was lifted and Touchstone's shares commenced trading again on the TSX-V. Mr. Schmitz was a director of Touchstone from February 1999 until April 2011.

To the best of Blackbird's management's knowledge, no director, executive officer or shareholder holding a sufficient number of Common Shares to materially affect control of Blackbird: (i) is or has been within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

To the best of Blackbird's management's knowledge, no director, executive officer or shareholder holding a sufficient number of Common Shares to materially affect control of Blackbird has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision with respect to the Common Shares.

Conflicts of Interest

In the event conflicts arise at a meeting of the Board, a director who has such a conflict will declare the conflict and abstain from voting. In appropriate cases, Blackbird will establish a special committee of independent non-executive directors to review a matter in which one or more directors or management may have a conflict.

To the best of Blackbird's knowledge, there are no known existing or potential conflicts of interest between Blackbird and any director or officer of Blackbird, except that certain of the directors of Blackbird serve as directors and officers of other public companies and it is therefore possible that a conflict may arise between their duties as a director or officer of Blackbird and their duties as a director or officer of such other companies. Where such conflicts arise, they will be addressed as indicated above.

AUDIT COMMITTEE

Blackbird is required to have an audit committee (the "**Committee**") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of Blackbird or an affiliate of Blackbird. Blackbird's current Committee consists of Ron Schmitz, William L. Macdonald and William C. Macdonald.

Audit Committee Charter

The Corporation has adopted a charter of the Committee, which is attached as Schedule "A" to this AIF.

Composition of Audit Committee and Independence

National Instrument 52-110 *Audit Committees*, ("**NI 52-110**") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with Blackbird, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. Of the three members of the Audit Committee, only William C. Macdonald is independent as that term is defined in NI 52-110. Ron Schmitz is not considered to be independent under NI 52-110 because he is the Chief Financial Officer of Blackbird. William L. Macdonald is not considered to be independent under NI 52-110 because he was the President of Blackbird until December 2012.

Relevant Education and Experience

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Blackbird's financial statements. All of the members of the Committee are financially literate as that term is defined in NI 52-110.

Ron A. Schmitz – Mr. Schmitz is the Principal and President of ASI Accounting Services Inc., which has provided administrative, accounting and office services to public and private companies since July 1995. Mr. Schmitz has been the Chief Financial Officer and a director of various public companies since 1997.

William L. Macdonald – Mr. Macdonald is a founder and principal of Macdonald Tuskey, Corporate and Securities Lawyers, a boutique securities and corporate finance firm located in Vancouver, British Columbia established in April 2008. Prior thereto, from February 1998 to April 2008, Mr. Macdonald was a partner with Clark Wilson LLP and a member of the firm's Corporate Finance / Securities Practice Group. Mr. Macdonald has been a member of the Law Society of British Columbia since February 1998 and a member of the New York State Bar since February 2002. Mr. Macdonald obtained his Bachelor of Law degree from the University of Western Ontario in 1997 and his Bachelor of Arts degree from Simon Fraser University in 1993 and has been a director of various public companies since 2008.

William C. Macdonald – Mr. Macdonald has over thirty years of petroleum land management experience in western Canada. He is currently the President of Bilmac Resources Ltd., an oil and gas consulting firm that provides land management support to various clients, and specializes in the capitalization of private oil and gas start-up companies.

Audit Committee Oversight

Since the commencement of Blackbird's most recently completed financial year, the Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Blackbird Board.

Reliance on Certain Exemptions

Since the commencement of Blackbird's most recently completed financial year, Blackbird has not relied on:

(a) the exemption in Section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or

(b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

Blackbird's Audit Committee Charter contains policies and procedures for the engagement of non-audit services.

Audit Fees

Fees incurred by Davidson & Company LLP, Chartered Accountants, auditors to Blackbird, for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

Nature of Services	Fees Paid to Auditor in Year Ended July 31, 2012	Fees Paid to Auditor in Year Ended July 31, 2013
Audit Fees(1)	$47,500	$45,000
Audit-Related Fees(2)	Nil	Nil
Tax Fees(3)	$12,750	$13,050
All Other Fees(4)	Nil	Nil
Total	$60,250	$58,050

(1) "Audit Fees" (billed or accrued) include fees necessary to perform the annual audit and quarterly reviews of Blackbird's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" (billed or accrued) include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" (billed or accrued) include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemption in Section 6.1

Blackbird is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in Section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management of Blackbird is not aware of any existing or contemplated legal proceedings material to Blackbird, to which Blackbird is, or during the financial year ended July 31, 2013 was, a party or of which any of its property is, or during the financing year ended July 31, 2013 was, subject.

Management of Blackbird is not aware of any penalties or sanctions imposed against Blackbird by a court relating to securities legislation or by a securities regulatory authority during the financial year ended July 31, 2013 or any other penalties or sanctions imposed by a court or regulatory body against Blackbird that would likely be considered important to a reasonable investor in making an investment decision.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Corporation or a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of voting securities of the Corporation, or any associate or affiliate of any such person, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of Blackbird are Davidson & Company LLP, Suite 1200 – 609 Granville Street, Vancouver, British Columbia V7Y 1G6.

The registrar and transfer agent of the Common Shares is Computershare Investor Services Inc., 3rd Floor – 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

With the exception of agreements entered into in the normal course of business, the only material contracts that have been entered into by Blackbird within the two years prior to the date of this AIF are the following:

1. Arrangement Agreement dated February 17, 2014 between Blackbird and Pennant;
2. Purchase and Sale Agreement dated September 5, 2014 between Blackbird and Delphi Energy Corp.;
3. Special Warrant Indenture dated October 16, 2014 between Blackbird and Computershare Trust Company of Canada; and
4. Underwriting Agreement dated October 21, 2014 among Blackbird and National Bank Financial Inc., Raymond James Ltd., Haywood Securities Inc., TD Securities Inc., Cormark Securities Inc. and Jennings Capital Inc.

Copies of the above agreements may be viewed at the offices of Blackbird's solicitors during normal business hours at Suite 400 – 570 Granville Street, Vancouver, British Columbia V6C 3P1.

INTERESTS OF EXPERTS

Davidson & Company LLP, Blackbird’s independent auditors, have audited Blackbird’s consolidated financial statements for the years ended July 31, 2013 and 2012. As of the date hereof, Davidson & Company LLP has confirmed they are independent with respect to Blackbird within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

The Statement, which is incorporated by reference into this AIF, was evaluated by Fekete Associates Inc. (recently acquired by IHS Inc.) and GLJ Petroleum Consultants, who are independent qualified reserves evaluators as defined under NI 51-101.

To Blackbird’s knowledge, none of the foregoing experts held any registered or beneficial interest, direct or indirect, in any securities or other property of Blackbird or any of its associates or affiliates, and no securities or other property of Blackbird or any of its associates or affiliates were subsequently received or are to be received by such experts.

FORWARD LOOKING STATEMENTS

This AIF contains certain information and statements relating to future events or the Corporation's future performance which constitute forward-looking information and forward-looking statements within the meaning of applicable Canadian securities laws (collectively, the "**forward-looking statements**"). Forward-looking statements are statements that do not relate strictly to historical or current facts, and words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "should", "believe" and "intend", or similar expressions, will generally constitute forward-looking statements. Forward-looking statements represent management's reasonable projections, expectations, and estimates as of the date of this document, but undue reliance should not be placed upon it as it is derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the AIF, which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. In particular, this AIF contains forward-looking statements pertaining to the following: the characteristics of the Corporation's oil and natural gas properties; the Corporation's strategy for growth; expectations regarding the Corporation's ability to raise capital, the Corporation's drilling plans; commodity prices and exchange rates; treatment under governmental and other regulatory regimes and tax, environmental and other laws. In addition, statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future.

The forward-looking statements in this AIF are subject to significant risks and uncertainties and is based on a number of material factors and assumptions which may prove to be incorrect, including but not limited to the following: assuming normal seasonal weather conditions; that the drilling and related equipment necessary for the Corporation's planned operations will be available on terms that are favourable to the Corporation and within the times planned by the Corporation; that skilled labour will be available on terms that are favourable to the Corporation; that the Corporation will be able to obtain additional financing on satisfactory terms; and that the Corporation will be able to attract and retain qualified personnel.

While management of the Corporation anticipates that subsequent events and developments may cause management's views to change, management does not have an intention to update the forward-looking statements contained herein, except as required by applicable securities laws. The forward-looking statements contained herein represent management's views as of the date of this AIF and such information should not be relied upon as representing the Corporation's views as of any date subsequent to the date of this AIF and as of the dates of the documents incorporated herein. Blackbird has attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimates expressed or implied by the forward-looking statements. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. Other risks and uncertainties include, but are not limited to, the following: normal risks common to the oil and gas industry, including various operational risks in the carrying out of exploration, development and production operations; volatility of commodity prices; health, safety and environmental risks; development and exploitation projects; uncertainty of estimates and projections of production, costs and expenses; risks as to the availability and pricing of appropriate financing alternatives on acceptable terms; potential changes in income tax regulations, governmental policies, rules, practices or approval process changes, or delays, or enhancements; delays resulting from adverse weather conditions; delays resulting from an inability to obtain and/or maintain required regulatory approvals and licenses and the ability to access sufficient debt or equity capital from internal and external sources; the Corporation's ability to attract and retain qualified personnel; general economic conditions in Canada and globally; competition for, among other things, capital and acquisitions of reserves and undeveloped lands; risks and uncertainty relating to the accuracy of oil and gas reserve estimates and evaluations and estimated production levels as they are affected by the Corporation's exploration and development drilling and estimated decline rates; adverse regulatory rulings, orders and decisions; and stock market volatility and market valuations.

Statements relating to reserves are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future. Many of the foregoing risk factors, other than specific risks, uncertainties and material assumptions are discussed in further detail throughout the AIF and in the Corporation's management's discussion and analysis for the year ended July 31, 2013 which is available on SEDAR at www.sedar.com. Readers are specifically referred to the risk factors described in the AIF under *"Risk Factors"* and in other documents the Corporation files from time to time with securities regulatory authorities. Copies of these documents are available without charge from the Corporation or electronically on the internet on Blackbird's SEDAR profile at www.sedar.com.

RISK FACTORS

Investors should carefully consider the risk factors set out below and consider all other information contained herein and in Blackbird's other public filings before making an investment decision. The risks below are not an exhaustive description of all the risks associated with the acquisition, exploration, development and production of petroleum and gas interests.

Exploration, Development and Production Risks

An investment in Blackbird’s Common Shares is speculative due to the nature of the Corporation's involvement in the exploration, development and production of oil and natural gas and Blackbird’s stage of development. Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by Blackbird will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as: over pressured zones; tools lost in the hole; changes in drilling plans and locations as a result of prior exploratory wells; or additional seismic data and interpretations thereof.

The long-term commercial success of Blackbird depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that Blackbird will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Blackbird may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. Blackbird will have limited reserves and producing oil and gas properties.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While close well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees. In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, cratering, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a material adverse effect on future results of operations, liquidity and financial condition.

Commodity Prices

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of the Corporation. World prices for oil and natural gas have fluctuated widely in recent years. Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty and a variety of additional factors beyond the control of the Corporation. These factors include economic conditions in the United States and Canada, the actions of the Organization of Petroleum Exporting Countries, governmental regulation, political stability in the Middle East and elsewhere, the foreign supply of oil and natural gas, the price of foreign imports, storage capacity, pipeline capacity and availability and the availability of alternative fuel sources. Any substantial and extended decline in the price of oil and natural gas would have an adverse effect on the Corporation's carrying value of its proved reserves, borrowing capacity, revenues, profitability and cash flows from operations.

The economics of producing from some wells may change as a result of lower commodity prices, which could result in reduced production of oil or natural gas and a reduction in the volumes of the Corporation’s reserves. The Corporation might also elect not to produce from certain wells at lower prices. Volatile oil and natural gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and natural gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

Global Financial Crisis

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the American and European sovereign debt levels have caused significant volatility in commodity prices. These conditions have caused a decrease in confidence in the global credit and financial markets and have created a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. This volatility may in the future affect the Corporation's ability to obtain equity or debt financing on acceptable terms.

Capital Markets

As a result of the uncertain global economic situation, the Corporation, along with all other oil and gas entities, may have restricted access to capital and increased borrowing costs. Although the Corporation's business and asset base have not changed, the lending capacity of all financial institutions has diminished and risk premiums have increased. As future capital expenditures will be financed out of funds generated from operations, borrowings and possible future equity sales, the Corporation's ability to do so is dependent on, among other factors, the overall state of capital markets and investor appetite for investments in the energy industry and the Corporation's securities in particular. To the extent that external sources of capital become limited or unavailable or available on onerous terms, the Corporation's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result.

Failure to obtain any financing necessary for the Corporation's capital expenditure plans may result in a delay in development or production on the Corporation's properties.

Variations in Foreign Exchange Rates

World oil and gas prices are quoted in United States dollars and the price received by Canadian producers is therefore affected by the Canadian/United States dollar exchange rate, which will fluctuate over time. In recent years, the Canadian dollar has increased materially in value against the United States dollar though more recently that trend appears to be reversing. Material increases in the value of the Canadian dollar negatively impact the Corporation's production revenues. Future variations in the Canadian/United States dollar exchange rate could accordingly impact the future value of the Corporation's reserves as determined by independent evaluators.

To the extent that the Corporation engages in risk management activities related to foreign exchange rates, there is a credit risk associated with counterparties with which the Corporation may contract.

Markets and Marketing

The marketability and price of oil and natural gas that may be acquired or discovered by the Corporation is and will continue to be affected by numerous factors beyond its control. The Corporation's ability to market its oil and natural gas may depend upon its ability to acquire space on pipelines that deliver crude oil and natural gas to commercial markets. The Corporation may also be affected by deliverability uncertainties related to the proximity of its projects to pipelines and processing facilities, and related operational problems with such pipelines and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Both oil and natural gas prices are unstable and are subject to fluctuation. Any material decline in prices could result in a reduction of Blackbird's net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in reduced production of its oil and gas and a reduction in the volumes of Blackbird's reserves. These factors could result in a material decrease in Blackbird's net production revenue causing a reduction in its oil and gas acquisition, development and exploration activities.

Hydraulic Fracturing

Hydraulic fracturing involves the injection of water, sand and small amounts of additives under pressure into rock formations to stimulate hydrocarbon (oil and natural gas) production. The use of hydraulic fracturing is being used to produce commercial quantities of oil and natural gas from reservoirs that were previously unproductive. Any new laws, regulations or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating costs or third party or governmental claims, and could increase the Corporation's costs of compliance and doing business as well as delay the development of oil and natural gas resources from shale formations which are not commercial without the use of hydraulic fracturing. Restrictions on hydraulic fracturing could also reduce the amount of oil and natural gas that the Corporation is ultimately able to produce from its reserves.

Reserve Replacement

The Corporation's oil and natural gas reserves, production and cash flows therefrom are highly dependent on the Corporation successfully acquiring or discovering and developing new reserves. Without the continual addition of new reserves, any existing reserves the Corporation may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the Corporation's reserves will depend not only on the Corporation's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Corporation's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of reserves and cash flows to be derived therefrom, including many factors beyond the control of Blackbird. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of oil and natural gas, operating costs and royalties and other government levies that may be imposed over the producing life of the reserves. These assumptions were based on price forecasts in use at the date the relevant evaluations were prepared and many of these assumptions are subject to change and are beyond the control of Blackbird. Actual production and cash flows derived therefrom will vary from these evaluations, and such variations could be material. These evaluations are based in part on the assumed success of exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such exploitation activities do not achieve the level of success assumed in the evaluations.

Substantial Capital Requirements

The Corporation anticipates making substantial capital expenditures for the exploration, development, production and acquisition of oil and natural gas reserves in the future. If the Corporation's future revenues or reserves decline, it may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing or cash generated by future operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Corporation. Moreover, future activities may require the Corporation to alter its capitalization significantly. The inability of the Corporation to access sufficient capital for its operations could have a material adverse effect on the Corporation's financial condition and/or its results of operations.

Share Price Volatility

In recent years, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It is likely that the market price for Blackbird Shares will be subject to market trends generally, notwithstanding the financial and operational performance of the respective companies.

Availability of and Access to Drilling and Related Equipment

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Corporation and may delay exploration and development activities.

Reliance on Key Personnel

The success of the Corporation is dependent on the services of its directors, officers, contractors and key employees. The experience of these individuals is a factor contributing to Blackbird's continued success and growth. The ability of Blackbird to conduct its operations is also highly dependent on the availability of skilled workers. Blackbird does not have any key man insurance policies in effect, and therefore there would be a risk that the death or departure of any member of management or any key employee would have a material adverse effect on Blackbird. Investors who are not prepared to rely on the management of Blackbird should not invest in securities of Blackbird.

Title to Properties

Unforeseen title defects or litigation may result in a loss of entitlement to production, reserves and resources. From time to time, Blackbird conducts title reviews in accordance with industry practice prior to purchases of assets. However, if conducted, these reviews do not guarantee that an unforeseen defect in the chain of title will not arise and defeat Blackbird's title to the purchased assets. If this type of defect were to occur, Blackbird's entitlement to the production and reserves (and, if applicable, resources) from the purchased assets could be jeopardized. Furthermore, from time to time, Blackbird may have disputes with industry partners as to ownership rights of certain properties or resources.

Management of Growth

The Corporation may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls, particularly given the early stage of the Corporation's development. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Insurance

The Corporation's involvement in the exploration for and development of oil and gas properties may result in the Corporation becoming subject to liability for pollution, blow outs, property damage, personal injury or other hazards. Although prior to drilling, the Corporation obtains, as a matter of course, insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not in all circumstances be insurable or, in certain circumstances, the Corporation may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Corporation. The occurrence of a significant event that the Corporation is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Corporation's business, financial position, results of operations and prospects.

Issuance of Debt

From time to time, the Corporation may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase the Corporation's debt levels above industry standards. The Corporation may also incur debt for general corporate purposes. Depending on future exploration and development plans, the Corporation may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. The Corporation's articles do not limit the amount of indebtedness that the Corporation may incur. The level of the Corporation's indebtedness, from time to time, could impair the Corporation's ability to obtain additional financing in the future on a timely basis, impairing its ability to take advantage of business opportunities that may arise.

Competition

The oil and natural gas industry is intensely competitive. Competition is particularly intense in the acquisition of prospective oil properties and oil and gas reserves. Blackbird’s competitive position depends on its geological, geophysical and engineering expertise, its financial resources, its ability to develop its properties and its ability to select, acquire and develop proved reserves. Blackbird competes with a substantial number of other companies having larger technical staff and greater financial and operational resources. Many such companies not only engage in the acquisition, exploration, development and production of oil reserves, but also carry on refining operations and market refined products. Blackbird also competes with major and independent oil companies and other industries supplying energy and fuel in the marketing and sale of oil to transporters, distributors and end users, including industrial, commercial and individual consumers. Blackbird also competes with other oil companies in attempting to secure drilling rigs and other equipment necessary for drilling and completion of wells. Such equipment may be in short supply from time to time. In addition, equipment and other materials necessary to construct production and transmission facilities may be in short supply from time to time. Finally, companies not previously invested in oil may choose to acquire reserves to establish a firm supply or simply as an investment. Such companies may also provide competition for Blackbird.

Environmental Risks and Regulations

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Corporation to incur costs to remedy such discharge. Although the Corporation believes that it will continue to be in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Climate Change

The Corporation's exploration and production operations and activities emit greenhouse gases and require the Corporation to comply with greenhouse gas emissions legislation in those provinces it conducts operations in, specifically Alberta and Saskatchewan or with legislation that may be enacted. The Corporation may also be required to comply with the regulatory scheme for greenhouse gas emissions ultimately adopted by the federal government, which regulations are expected to be consistent with the regulatory scheme for greenhouse gas emissions adopted by the United States. The direct or indirect costs of these regulations may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. The future implementation or modification of greenhouse gases regulations, whether to meet the limits regulated by the Copenhagen Accord or as otherwise determined, could have a material impact on the nature of oil and natural gas operations, including those of the Corporation. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Corporation and its operations and financial condition.

Oil and Gas Activities Involve Risks, Many of Which Are Beyond Blackbird's Control

The business of exploration and production of oil and gas involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to prevent. Few properties that are explored are ultimately developed into producing oil and gas fields.

The Corporation's rights to exploit its oil and gas assets are limited in time. There is no guarantee or assurance that such rights can be extended or that new rights can be obtained to replace any rights that expire.

Significant expenditure is required to establish the extent of oil and gas reserves through seismic surveys, drilling and completion and there can be no certainty that oil and gas reserves will be found.

It is difficult to project the costs of implementing drilling programs due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured geological zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior wells or additional seismic data and interpretations thereof.

Seasonality

The level of activity in the Canadian oil and natural gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and natural gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in the ability of the Corporation to carry out its exploration and production activities.

Aboriginal Claims

Aboriginal peoples have claimed aboriginal title and rights to portions of western Canada. The Corporation is not aware that any claims have been made in respect of its properties and assets; however, if a claim arose and was successful such claim could have an adverse effect on the Corporation and its operations.

Governmental Regulation

The petroleum industry is subject to regulation and intervention by governments in such matters as the awarding of exploration and production interests, the imposition of specific drilling obligations, environmental protection controls, control over the development and abandonment of fields (including restrictions on production) and possibly expropriation or cancellation of contract rights. The Corporation's operations may require licences from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licences and permits that may be required to carry out exploration and development at its projects. As well, governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and gas industry could reduce demand for natural gas and oil, increase costs and may have a material adverse impact on Blackbird. Export sales are subject to the authorization of provincial and federal government agencies and the corresponding governmental policies of foreign countries. Development of reserves and rates of return are also susceptible to changes in national fiscal policy. There can be no assurance that the Corporation will be able to obtain all necessary licences and permits that may be required to carry out exploration and development at its properties. It is not expected that any of these controls or regulations will affect the operation of the Corporation in a manner materially different than they would affect other oil and natural gas companies of similar size.

The further development of the Corporation's properties requires the approval of applicable regulatory authorities of the plans of the Corporation with respect to the drilling and development of such properties. A failure to obtain such approval on a timely basis or to have material conditions imposed by such authority in connection with the approval may materially affect the prospects of the Corporation.

Additional Financing Requirements

The Corporation's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, the Corporation may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Corporation to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Corporation's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect the Corporation's ability to expend the necessary capital to replace its reserves or to maintain its production. If the Corporation's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or, if available, on terms acceptable to the Corporation. Uncertainty in domestic and international credit markets could materially affect the Corporation's ability to access sufficient capital for its capital expenditures and acquisitions, and as a result, may have a material adverse effect on the Corporation's ability to execute its business strategy and on its business, financial condition, results of operations and prospects.

Dilution

The Corporation may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Corporation which may be dilutive. The constating documents of the Corporation allow it to issue an unlimited number of Common Shares. Current Shareholders will have no pre-emptive rights in connection with such additional issuances.

Third Party Credit Risk

The Corporation may be exposed to third party credit risk through its contractual arrangements. In the event such entities fail to meet their contractual obligations to the Corporation, such failures could have a material adverse effect on the Corporation and its operations. In addition, poor credit conditions in the industry and of joint venture partners of the Corporation may impact a joint venture partner's willingness to participate in the Corporation's ongoing capital program, potentially delaying the program and the results of such program until the Corporation finds a suitable alternative partner.

Expiration of Licences and Leases

The Corporation's properties are held in the form of licences and leases and working interests in licences and leases. If the Corporation or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of the Corporation's licences or leases or the working interests relating to a licence or lease may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Alternatives to and Changing Demand for Petroleum Products

Full conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for oil and other liquid hydrocarbons. The Corporation cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Income Taxes

The Corporation will file all required income tax returns and believes that it will be in full compliance with the provisions of the *Income Tax Act* (Canada) and all applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Corporation, whether by re-characterization of exploration and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

Changes in Legislation

The return on an investment in securities of the Corporation is subject to changes in Canadian federal and provincial tax laws and government incentive programs and there can be no assurance that such laws or programs will not be changed in a manner that adversely affects the Corporation or the holding or disposing of the securities of the Corporation.

Changes to Accounting Policies

International Financial Reporting Standards require that management apply certain accounting policies and make certain estimates and assumptions, which affect reported amounts in the consolidated financial statements of the Corporation. Accounting policies are continuously updated by the International Accounting Standards Board, with the Corporation being required to adopt these revisions. Adoption of new accounting policies could have a negative impact on the Corporation.

Changes to Royalty Regime

Each province has legislation and regulations which govern land tenure, royalties, production rates, environmental protection, and other matters. The royalty regime is a significant factor in the profitability of crude oil and natural gas production. Crown royalties are determined by governmental regulation and are generally calculated as a percentage of the value of the gross production. The rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date, method of recovery, and the type or quality of the petroleum product produced.

Occasionally the governments of the western Canadian provinces create incentive programs for exploration and development. Such programs often provide for royalty rate reductions, royalty holidays, and tax credits, and are generally introduced when commodity prices are low. The programs are designed to encourage exploration and development activity by improving earnings and cash flow within the industry. Royalty holidays and reductions would reduce the amount of Crown royalties paid by oil and gas producers to the provincial governments and would increase the net income and funds from operations of such producers. Some provincial governments have eliminated, amended or allowed some such incentive programs to expire without renewal. There can be no assurance that the Government of Saskatchewan, the Government of Alberta or the Government of Canada will not adopt a new royalty regime or modify the methodology of royalty calculations which could increase the royalties paid by the Corporation. An increase in royalty could reduce the Corporation's earnings and/or it could make capital expenditures by the Corporation uneconomic.

Litigation Matters

Claims may be made against the Corporation and in the event of such claims arising, management of Blackbird will undertake a review to determine what, if any, action Blackbird should take. Any claim, whether or not without merit, may prove time-consuming to evaluate, result in costly litigation and may cause delay in the operations and/or business of Blackbird.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of Blackbird may be subject in connection with the operations of Blackbird. Some of the directors and officers of Blackbird may be, or may become, engaged in other ventures in the oil and gas industry in which Blackbird may have an interest, and situations might arise where proposed directors and officers of Blackbird would be in direct conflict with Blackbird. Conflicts of interest would be subject to procedures under applicable corporate laws.

Absence of Dividends

The Corporation has not paid any dividends and is unlikely to pay dividends in the immediate or foreseeable future. The future payment of dividends on Common Shares will be dependent upon the financial requirements of the Corporation to finance future growth, the financial condition of the Corporation and other factors which the Board may consider appropriate in the circumstances.

ADDITIONAL INFORMATION

Additional information regarding the Corporation may be found under the Corporation's profile on SEDAR. Additional information, including directors' and officers' remuneration and indebtedness to the Corporation, principal holders of securities of the Corporation and securities authorized for issuance under equity compensation plans is contained in the Corporation's Information Circular dated January 24, 2014, prepared in connection with the annual and special meeting of shareholders held on February 20, 2014. Additional financial information is provided in the Corporation's comparative consolidated financial statements for its financial year ended July 31, 2013, together with the accompanying auditor's report and management's discussion & analysis filed on SEDAR on November 26, 2013.

SCHEDULE "A"

BLACKBIRD

Blackbird Energy Inc.
(the "Company")

Audit Committee Charter

Mandate

The primary function of the audit committee (the "Committee") is to assist the Company's Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;

- review and appraise the performance of the Company's external auditors; and

- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 52-110), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

Should the Company cease to be a "venture issuer" (as such term is defined in National Instrument 52-110), all members of the Committee shall then be required to have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- review and update this Audit Committee Charter annually; and

- review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;

- obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;

- review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;

- take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;

- recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;

- recommend to the Company's Board of Directors the compensation to be paid to the external auditors;

- at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;

- review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;

- review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and

- review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company’s external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,

- such services were not recognized by the Company at the time of the engagement to be non-audit services, and

- such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;

- consider the external auditors’ judgments about the quality and appropriateness of the Company’s accounting principles as applied in its financial reporting;

- consider and approve, if appropriate, changes to the Company’s auditing and accounting principles and practices as suggested by the external auditors and management;

- review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;

- following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

- review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;

- review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;

- review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;

- review certification process;

- establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

- establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- review any related-party transactions;

- engage independent counsel and other advisors as it determines necessary to carry out its duties; and

- to set and pay compensation for any independent counsel and other advisors employed by the Committee.