BLACKBIRD ENERGY

Suite 400, 444 5th Avenue SW
Calgary, Alberta T2P 2T8
www.blackbirdenergyinc.com
403-699-9929

NEWS RELEASE

BLACKBIRD ENERGY INC. ANNOUNCES EXECUTION OF GAS HANDLING AGREEMENT FOR THE FIRM TRANSPORTATION AND PROCESSING OF ITS CONDENSATE-RICH ELMWORTH MONTNEY NATURAL GAS

May 19, 2016 - Calgary, Alberta (TSX-V: BBI) Blackbird Energy Inc. ("**Blackbird**" or the "**Company**") is pleased to announce that, further to the press release of Blackbird dated April 6, 2016, Blackbird has executed a binding take-or-pay Gas Handling Agreement ("**GHA**") with a third party for the firm transportation and processing of sour natural gas produced from Blackbird's condensate-rich Elmworth project.

The GHA provides firm service transportation to the third party's sour gas plant and the processing of 6 mmcf/d of natural gas and associated liquids from Blackbird's Elmworth project. The GHA is effective on or before January 1, 2017 (the "**Effective Date**"), with capacity available as early as November 1, 2016 subject to certain third party facility enhancements and regulatory approvals. The GHA shall continue for a term of 24 months from the Effective Date, at which time Blackbird and the third party will seek to extend the term on a best efforts basis.

Blackbird's infrastructure solution will include a battery, a pipeline gathering system and a water disposal system. Blackbird is currently in the late stages of its surface acquisition, infrastructure engineering and design process regarding its infrastructure solution. Blackbird's infrastructure solution is intended to be scalable and able to support future production growth. The third party natural gas transportation tie-in point is 3.8 km (2.4 miles) south of Blackbird's planned battery site.

With the previously announced unit and CDE flow-through financing which closed on May 19, 2016, the previously announced acquisition of firm sales gas take-away to the Alliance Chicago Exchange, the execution of the GHA, and the imminent construction of Blackbird's infrastructure solution, Blackbird endeavors to achieve its goal of transitioning from an explorer to an Elmworth Montney producer and developer.

About Blackbird

Blackbird Energy Inc. is an innovative oil and gas exploration and development company focused on the condensate and liquids-rich Montney fairway at Elmworth, near Grande Prairie, Alberta.

For more information please view our Corporate Presentation at www.blackbirdenergyinc.com or contact:

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403-699-9929

Blackbird Energy Inc.

Garth Braun
Chairman, CEO and President
(403) 500-5550
gbraun@blackbirdenergyinc.com

Jeff Swainson
Chief Financial Officer
(403) 796-3640
jswainson@blackbirdenergyinc.com

Joshua Mann
Vice President, Business Development
(403) 390-2144
josh@blackbirdenergyinc.com

Advisories and Forward-Looking Information

This press release contains forward-looking statements or information (collectively referred to herein as "forward-looking statements"). Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements and are not guarantees of future performance of the Company. Such forward-looking statements include but are not limited to: the expected timing for capacity becoming available pursuant to the GHA and commencement of any gas transportation and processing, the timing for the commencement of the construction of the necessary infrastructure, management's expectations with respect to the renewal of the GHA's term upon expiry, management's belief with respect to Blackbird's ability to achieve its goal of transitioning from an explorer to a producer and proceed with its growth objectives at its condensate-rich Elmworth project.

The forward-looking statements are based on certain assumptions that Blackbird has made in respect thereof as at the date of this press release regarding, among other things, oil and gas industry exploration and development activity levels and the availability of capital to fund the construction of its infrastructure requirements.

No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic and business conditions in North America and internationally, (2) the inherent uncertainties and speculative nature associated with oil and gas exploration, development and production including drilling and completion risks, (3) the price of and demand for oil and gas and their effect on the economics of oil and gas exploration, (4) any number of events or causes which may delay or cease exploration and development of the Company's property interests, such as environmental liabilities, weather, mechanical failures, safety concerns and labour problems, (5) the risk that the Company does not execute its business plan, (6) inability to retain key employees, (7) inability to finance operations and growth, and (8) other factors beyond the Company's control. Should one or more of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, actual results may vary in material respects from those projected in the forward-looking statements. Readers are cautioned that the foregoing list of risks, uncertainties and other factors is not exhaustive. Unpredictable or unknown factors not discussed could also have material adverse effects on forward-looking statements. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent on other factors, and the Company's course of action would depend on its assessment of the future considering all information then available. All forward-looking statements in this press release are expressly qualified in their

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entirety by these cautionary statements. Except as required by law, the Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

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