STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Date of Statement

This Statement of Reserves Data and Other Oil and Gas Information is dated October 15, 2012 unless indicated otherwise.

Disclosure of Reserves Data

All oil and natural gas reserve information contained in this document has been prepared and presented in accordance with NI 51-101. The tables below are a summary of the oil, NGL and natural gas reserves of Blackhawk Resource Corp. ("Blackhawk") and the net present value of future net revenue attributable to such reserves as evaluated in the Blackhawk Resource Corp. Reserve Estimation and Economic Evaluation dated effective June 30, 2012 ("AJM Report") prepared by Deloitte AJM ("AJM"). The AJM Report is based on forecast price and cost assumptions prepared by AJM effective June 30, 2012. The tables summarize the data contained in the AJM Report and as a result may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.

Reserves Estimates

The reserves of Blackhawk were evaluated by AJM, as set out in the AJM Report dated September 20, 2012, in which AJM has evaluated, as of June 30, 2012, the oil and natural gas reserves attributable to all of the properties of Blackhawk. The information was prepared between June 30, 2011 and June 30, 2012.

The following information is a summary of reserves data and related information contained in the AJM Report. All of the oil and gas properties to which reserves have been attributed are located in the Province of Alberta, Canada. The AJM Report also presents the estimated net value of future revenue of Blackhawk's properties before and after Taxes, at various discount rates. Assumptions and qualifications relating to costs, prices for future production and other matters are summarized in the notes to the following tables.

The information concerning oil and gas reserves includes forward-looking statements relating to future net revenues, forecast capital expenditures, future development plans and costs related thereto, forecast operating costs and anticipated production and abandonment costs. Refer to "Forward-Looking Statements" and "Risk Factors" in this Information Circular.

All estimates of future revenues made by AJM in the AJM Report are stated after the deduction of royalties, and capital and operating costs, but before consideration of income taxes and indirect costs such as administrative, overhead and miscellaneous expenses. It should not be assumed that the estimates of the present value of future net revenues presented in the following tables represent the fair market value of the reserves. There can be no assurance that the forecast price and cost assumptions contained in the AJM Report will be consistent with actual prices and costs and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the AJM Report and summarized in the notes to the following tables. The recovery and reserves estimates described herein are estimates only. The actual reserves may be greater or less than those calculated and differences may be material.

Reserves Data - Forecast Prices and Costs

The following table discloses, in the aggregate, Blackhawk's gross and net proved reserves, estimated using forecast prices and costs, by product type. "Forecast prices and costs" means future prices and costs used by AJM in the AJM Report that are generally accepted as being a reasonable outlook of the future.

	Light & O		Heavy	y Oil	Natura	l Gas ⁽¹⁾	Natura Liqu		To	tal
	Gross ⁽²⁾	Net ⁽³⁾	Gross ⁽²⁾	Net ⁽³⁾	Gross (2)	Net ⁽³⁾	Gross (2)	Net ⁽³⁾	Gross ⁽²⁾	Net ⁽³⁾
RESERVES CATEGORY PROVED	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(MMcf)	(MMcf)	(Mbbl)	(Mbbl)	(Mboe)	(Mboe)
Developed Producing	6.1	5.4	12.9	11.6	141.6	123.7	1.0	0.6	43.6	38.2
Developed Non-Producing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

SUMMARY OF RESERVES AS OF JUNE 30, 2012 (Forecast Prices & Costs)

	Light & O		Heav	y Oil	Natura	l Gas ⁽¹⁾	Natur: Liqi		Ta	otal
	Gross ⁽²⁾	Net ⁽³⁾	Gross ⁽²⁾	Net ⁽³⁾	Gross (2)	Net ⁽³⁾	Gross (2)	Net ⁽³⁾	Gross ⁽²⁾	Net ⁽³⁾
RESERVES CATEGORY	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(MMcf)	(MMcf)	(Mbbl)	(Mbbl)	(Mboe)	(Mboe)
Undeveloped	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Proved	6.1	5.4	12.9	11.6	141.6	123.7	1.0	0.6	43.6	38.2
PROBABLE TOTAL PROVED +	3.5	3.0	9.9	8.7	69.0	59.5	0.6	0.3	25.5	22.0
PROBABLE	9.6	8.4	22.8	20.3	210.6	183.2	1.6	0.9	69.1	60.2

SUMMARY OF RESERVES AS OF JUNE 30, 2012 (Forecast Prices & Costs)

Notes:

(1) Estimates of Reserves of natural gas include associated and non-associated gas.

(2) "Gross Reserves" are Corporation's working interest share of remaining reserves before the deduction of royalties owned by others.

(3) "Net Reserves" are Corporation's working interest share of remaining reserves less all Crown, freehold, and overriding royalties and

interests owned by others.

(4) Due to rounding, certain columns may not add exactly.

The following table discloses, in the aggregate, the net present value of Blackhawk's future net revenue attributable to the reserves categories in the previous table, estimated using forecast prices and costs, before and after deducting future income tax expenses, and calculated using discount rates of 0%, 5%, 10%, 15% and 20%.

SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE AS OF JUNE 30, 2012 (Forecast Prices & Costs)

			Before Income Ta Discounted At		
	0%	5%	10%	15%	20%
(000s)	(\$)	(\$)	(\$)	(\$)	(\$)
Proved					
Developed producing	559.4	565.9	560.2	549.1	535.9
Developed non-producing	-	-	-	-	-
Undeveloped	-	-	-	-	-
Total proved	559.4	565.9	560.2	549.1	535.9
Probable	923.4	709.0	575.3	484.8	419.2
Total proved plus probable	1,482.8	1,274.9	1,135.5	1,033.9	955.1
			After Income Tax Discounted At		
	0%	5%	10%	15%	20%
(000s)	(\$)	(\$)	(\$)	(\$)	(\$)
Proved		<u> </u>			
Developed producing	501.9	511.4	508.3	499.6	488.5
Developed non-producing	-	-	-	-	-
Undeveloped	-	-	-	-	-
Total proved	501.9	511.4	508.3	499.6	488.5
Probable	760.4	579.9	466.4	390.0	335.0
Total proved plus probable	1,262.3	1,091.3	974.7	889.5	823.5

Notes:

(1) NPV of FNR includes all resource income: sale of oil, gas, by-product reserves; processing of third party production; and other income.

(2) Income taxes include all resource income, appropriate income tax calculations and prior tax pools.

(3) Due to rounding, certain columns may not add exactly.

This table discloses, in the aggregate, certain elements of Blackhawk's future net revenue attributable to its proved reserves and its proved plus probable reserves, estimated using forecast prices and costs, and calculated without discount.

TOTAL FUTURE NET REVENUE (Undiscounted) AS OF JUNE 30, 2012 (Forecast Prices & Costs)

RESERVES CATEGORY	Revenue (M\$)	Royalties (M\$)	Operating Cost (M\$)	Development Costs (M\$)	Well Aband. Costs (M\$)	BT Future Net Revenue ⁽¹⁾ (M\$)	Income Taxes (M\$)	AT Future Net Revenue (1) (M\$)
PROVED Proved Producing	2,332.1	272.7	884.6	-	615.5	559.4	57.4	502.0
Proved Developed Non- Producing Proved Undeveloped	-	-	-	-	-	-	-	-
Total Proved	2,332.1	272.7	884.6	-	615.5	559.4	57.4	502.0
PROBABLE	1,785.7	243.9	602.3	-	16.0	923.4	163.1	760.4
TOTAL PROVED + PROBABLE	4,117.8	516.6	1,486.9	-	631.5	1,482.8	220.5	1,262.3

This table discloses, by production group, the net present value of Blackhawk's future net revenue attributable to its proved reserves and its proved plus probable reserves, before deducting future income tax expenses, estimated using forecast prices and costs, and calculated using a 10% discount rate.

RESERVES CATEGORY	PRODUCTION GROUP	BT Discounted (10%/Ur) Future Net Revenue (M\$)	Unit Value (\$/boe)
TOTAL PROVED	Light & Medium Crude Oil (including solution gas and other by-products)		
		155.2	16.83
	Heavy Oil (including solution gas and other by products) Associated and non-associated gas(including	325.5	27.98
	by-products but excluding solution gas from oil		
	wells)	(51.1)	(8.31)
	Coalbed Methane	131.0	11.74
TOTAL PROVED + PROBABLE	Light & Medium Crude Oil (including solution gas and other by-products) Heavy Oil (including solution gas and other by	273.7	18.66
	products)	677.9	33.32
	Associated and non-associated gas(including by-products but excluding solution gas from oil		
	wells)	(11.6)	(1.23)
	Coalbed Methane	195.5	12.43

Notes: (1)

BT means before taxes.

(2) Unit values based on net reserve volumes.

Pricing Assumptions

Forecast Prices Used in Estimates

The forecast reference prices used in preparing Blackhawk's reserves data are provided in the below table.

\geq
a
5
5
5
ິ
m
õ.
с.
<u>n</u> .

© Deloitte & Touche LLP and affiliated entities

Base Case Forecast Effective June 30, 2012 AJM Deloitte Canadian Domestic Price Forecast

Sulphur

Alberta Plant Gate C\$/It Current

Image: product of the produc	L																									
Image: bit is the properties of the propertite of the properi	_					Crude Oil	Pricing						Natural G.	as Liquids.	Pricing		Natural Gas	Pricing			1					s
Image Image <th< th=""><th></th><th></th><th></th><th></th><th></th><th>WTIat</th><th>WTIat</th><th></th><th></th><th>Med. Oil</th><th>Bow River</th><th>IIO weat</th><th>Edmonton Pa</th><th>r Prices</th><th></th><th></th><th>Alberta</th><th>Alberta</th><th></th><th></th><th></th><th></th><th>Sask.</th><th></th><th></th><th><u> </u></th></th<>						WTIat	WTIat			Med. Oil	Bow River	IIO weat	Edmonton Pa	r Prices			Alberta	Alberta					Sask.			<u> </u>
Image: brance Im				Cost	AD to USD	Cushing	Cushing	Edmonton City Gate	Edmonton	29 Deg. API	25 Deg. API	12 Deg. API	1			Pentanes +	Reference Average	Average				_				
Image Image <th< th=""><th></th><th>-</th><th></th><th>Inflation</th><th>Exchange</th><th>US\$/bbl</th><th>USS/bbi</th><th>C\$/bbl</th><th>C\$/bbl</th><th>C\$/bbl</th><th>C\$/bbl</th><th>C\$/bbl</th><th>CS/bbl</th><th>Propane CS/bbi</th><th></th><th>Condensate CS/hhl</th><th>Price C&/mod</th><th>Price</th><th></th><th></th><th></th><th></th><th></th><th></th><th>NYMEX</th><th></th></th<>		-		Inflation	Exchange	US\$/bbl	USS/bbi	C\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl	CS/bbl	Propane CS/bbi		Condensate CS/hhl	Price C&/mod	Price							NYMEX	
9 10 10 10 100				Rate	Rate	Real	Current	Real	Current	Current	Current	Current	Current	Current		Current	Current	Real			-				USS/Mcf Current	_
0 0	x	1997	1.6%	1.6%	0.722	\$27.04	\$20.60	\$36.73	\$27.98	\$23.71	\$21.26	\$14.35	n/a		\$19.02	¢30.85	¢1 07		11.12							
m m		1998	0.7%	0.7%	0.675	\$18.58	\$14.38	\$25.94	\$20.08	\$16.94	\$14.63	\$9.43	n/a		\$12.92	522.35	61 94		1/10			51.98	\$1.74	53.40	\$2.59	
0 0	s	1999	1.8%	1.8%	0.648	\$24.75	\$19.29	\$35.16	\$27.41	\$21.72	\$20.29	\$17.62	\$8.09		\$14.39	00 0CS	80.02		10.35			22.00	52.13	52.73	\$2.11	
m m	٠	2000	2.6%	2.6%	0.674	\$38.08	\$30.22	\$55.88	\$44.33	\$39.89	\$34.46	\$28.57	\$14.10		\$36.51	\$46.30	54.51		C1.26			\$2.64	\$2.61 er or	\$2.69	\$2.10	
0 1	0		2.5%	2.5%	0.646	\$14.28	\$25.87	\$21.62	\$39.17	\$31.54	\$25.12	\$18.07	\$17.20		\$30.49	\$43.03	\$5.39		\$5.42			54.24 56.24	01.35	22.44	54.32	
M M	ч.		2.3%	2.3%	0.637	\$31.23	\$26.11	\$48.24	\$40.33	\$35.52	\$31.89	\$27.63	\$11.21		\$27.78	\$41.22	\$3.88						54 DR		23.95 C2 26	_
Mar Ta Mar			2.8%	2.8%	0.716	\$36.26	\$31.01	\$50.87	\$43.51	\$37.47	\$32.96	\$27.35	\$18.43		\$36.03	\$45.18	\$6.12						\$6.67		53.30 Cr an	_
m m	U		1.8%	1.8%	0.770	\$47.11	\$41.45	\$60.19	\$52.96	\$45.76	\$38.01	\$30.44	\$19.04		\$44.07	\$55.49	\$6.31						20.07 CE 24		55.48	
m m	ю.		2.2%	2.2%	0.826	\$63.16	\$56.61	\$77.35	\$69.33	\$57.39	\$45.68	\$33.77	\$23.80		\$51.91	\$74.67	\$8.31						20.04 68 51		C2.0¢	
m m	-			2.0%	0.882	\$72.05	\$66.06	\$79.99	\$73.34	\$62.42	\$52.04	\$39.68	\$19.81		\$58.16	\$78.19	\$6.56								58.91	
m m				2.1%	0.935	\$77.36	\$72.38	\$82.39	\$77.09	\$65.18	\$53.86	\$39.75	\$18.41		\$59.40	\$81.67	\$6.20								C/-0¢	
m m				2.4%	0.943	\$104.15	\$99.58	\$107.55	\$102.83	\$93.26	\$83.97	\$73.17	\$22.61		\$83.56	\$109.80	\$7.88								58.88	
min min <td></td> <td></td> <td></td> <td>1.0%</td> <td>0.880</td> <td>\$63.08</td> <td>561.78</td> <td>\$67.60</td> <td>\$66.21</td> <td>\$62.77</td> <td>\$59.90</td> <td>\$54.49</td> <td>\$11.60</td> <td></td> <td>\$56.29</td> <td>\$69.59</td> <td>\$3.84</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$3.90</td> <td></td>				1.0%	0.880	\$63.08	561.78	\$67.60	\$66.21	\$62.77	\$59.90	\$54.49	\$11.60		\$56.29	\$69.59	\$3.84								\$3.90	
Cut Dist Dist <thd< td=""><td></td><td></td><td></td><td>2.9%</td><td>1.012</td><td>\$94.91</td><td>19.915</td><td>\$95.58</td><td>\$77.79 \$95.58</td><td>\$73.48 \$88.21</td><td>\$68.16 \$78.50</td><td>\$60.59 \$69.56</td><td>\$11.52</td><td></td><td>\$68.78</td><td>\$105.31</td><td>\$3.76 \$3.46</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>\$4.38</td><td></td></thd<>				2.9%	1.012	\$94.91	19.915	\$95.58	\$77.79 \$95.58	\$73.48 \$88.21	\$68.16 \$78.50	\$60.59 \$69.56	\$11.52		\$68.78	\$105.31	\$3.76 \$3.46								\$4.38	
ferm 20. 200 900 <td></td> <td></td> <td></td> <td>2.0%</td> <td>0.999</td> <td>\$98.40</td> <td>\$98.40</td> <td>\$89.96</td> <td>\$89.96</td> <td>\$83.45</td> <td>\$77.92</td> <td>\$67.39</td> <td>\$6.20</td> <td></td> <td>\$84.05</td> <td>\$107.83</td> <td></td> <td></td> <td>L</td> <td></td> <td></td> <td>T</td> <td></td> <td></td> <td>53.99</td> <td></td>				2.0%	0.999	\$98.40	\$98.40	\$89.96	\$89.96	\$83.45	\$77.92	\$67.39	\$6.20		\$84.05	\$107.83			L			T			53.99	
7.1 % % % % % % % % % % % % % % % % % % %				2.0%	1.000	\$90.00	\$90.00	\$88.00	\$88.00	\$81.50	\$69.00	\$63.00	\$6.00		\$85.00	\$105.00									\$2.80	
72.2 8 8 2 5 6 6 6 7 7 2 8 9 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	1		2.0%	2.0%	0.999	\$94.20	\$94.20	\$88.98	\$88.98	582.47	\$73.46	\$65.19	\$6.10		COVEN	11 2010										
ଝ, ଦୁ, ଦୁ, ଜୁ, ଜୁ, ଜୁ, ଜୁ, ଦୁ, ଦୁ, ଦୁ, ଦୁ, ଦୁ, ଦୁ, ଦୁ, ଦୁ, ଦୁ, ଦ				2.0%	1.000	\$90.00	\$90.00	\$88.00	\$88.00	\$81.50	\$69.00	\$63.00				14:0016									\$2.57	
2 0 1 1 2 2 3 3 2 1 2 3 3 2 3 3 2 3 3 3 3 3	0			2.0%	1.000	\$100.00	\$102.00	\$98.00	\$100.00	\$92.30	\$79.00	\$73.00				\$105.00									52.80	
ୁ କିନ୍ଦୁ ଓ କିନ୍ଦୁ ଓ ସିମ୍ବର ସେ କିନ୍ଦୁ କିନ୍ କିନ୍ଦୁ କିନ୍ଦୁ				2.0%	1.000	\$100.00	\$104.05	\$98.00	\$102.00	\$93.00	\$80.00	\$74.00				\$107.10									54.15	
6.0 55.00 3.0 55.00 5.0 55.45 5.0 55.45 5.0 55.45 5.0 55.95 5.0 58.15 5.0 58.15 5.0 58.15 5.0 58.15 5.0 58.40 5.0 58.15 5.0 58.40 5.0 58.15 5.0 58.40 5.0 58.40 5.0 58.40 5.0 58.40 5.0 58.40				2.0%	1000	\$100.00	\$108.25	00.865	\$104.00	\$94.25 coc co	\$82.00	\$76.00				\$109.20									34.55	
86 5 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	æ			2.0%	1.000	\$100.00	\$110.40	598.00	\$108.20	20,000	01.405	01.014				5111.40									55.00	
8, 39, 50, 52, 53, 52, 52, 52, 52, 52, 52, 52, 52, 52, 52	s			2.0%	1.000	\$100.00	\$112.60	\$98.00	\$110.35	\$98.35	\$88.35	\$82.35				2115.85									5.40	
2 2 2 3 3 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	•			2.0%	1.000	\$100.00	\$114.85	\$98.00	\$112.55	\$99.05	\$90.55	\$84.55				\$118.20									5.95 6.45	
82 92 92 92 92 92 92 92 92 92 92 92 92 92				%0.7	1.000	5100.00	\$117.15	598.00	\$114.80	\$99.80	\$92.80	\$86.80				\$120.55									50.5	
2 2 3 3 5 3 3 5 5 5 5 5 8 8				2.0%	1000	\$100.00	06.6116	00.864	\$119.45	\$102.10 \$104.45	\$95.10 607 AF	\$89.10				\$122.95									37.75	
ର ଜ ଜ ଜ ଜ ଜ ଜ ଜ ୫ ଅ				2.0%	1.000	\$100.00	\$124.35	\$98.00	\$121.85	\$106.85	28,992	591.45 593.85				\$125.40									06.73	
2, 3, 3, 3, 3, 3, 3, 3, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5,				2.0%	1.000	\$100.00	\$126.80	\$98.00	\$124.30	\$109.30	\$102.30	\$96.30				\$130.50									8.10	
5 5 5 5 5 5 % \$				2.0%	1.000		\$129.35	\$98.00	\$126.75	\$111.75		\$98.75				\$133.10									67.8	
8 8 8 8 8 8				2.0%	1 000		\$131.95 \$124.60	\$98.00 408.00	\$129.30	\$114.30		\$101.30				\$135.75									8.60	
8 2 2 2 2 %				2.0%	1.000		\$137.30	\$98.00	\$134.55	\$119.55		\$106.55				\$138.50									8.75	
6 5 5 <u>6</u>				2.0%			\$140.00	\$98.00	\$137.20	\$122.20	\$115.20	\$109.20				\$144.05									8.90	
8 S S				2.0%			\$142.80	\$98.00	\$139.95	\$124.95		\$111.95				\$146.95									01.0	
ss 0%				2.0%	-		\$145.70 2.0%	\$98.00 %0.0	\$142.75 2.0%	\$127.75 2.0%	\$120.75 2.0%	\$114.75				\$149.90									9.45	
 											2014	20.7			P.U.9	4.0.2									2.0%	
 • found include procease of encoursed at formation herefore an additional transportation can must be included to plant pare selet point. • Fund is equivalent to 1 mm/su. • Fund is expendent/fund is expendent/fund (whether expensesed or implied) is given by Deloitle & Touche LLP as to the accuracy, completeness, currency or fitness for any purpose of this document. As such, this document does not constitute the part advise, and to the extent part (any kinet or expendent) for any advices in an expense of any purpose of this document. As such, this document does not constitute the part advise, not a part of any advices in expensions of any purposes of the form of action, whether in contract, for to often/wes, and to the extent part docastions. Touche LLP accepts to allow and internets of any kinet part of any purposes of this document. As such, this document does not such as the any such to the extent advise, not a part of any advices in any experiment does for any purposes of the form of action, whether in contract, for to often/wes, and to the extent advise, not any and to the extent part docastion as the accuracy. 	2		dmonton c	e in Lanadi city gate priv	an dollars ex ces based on	cept WII and light sweet cr.	WMEX gas wh ude posted at	ich are in U.S. major Canadia	dollars. n refineries. (40	Deg. API < 0.5% S	ulphur)															
 1. Molt request to 1 media. 4. Full the second process the internal addition. 4. Full the process of any person addition of retraining from acting in reliance on this this price forecast is not for four formation. 4. Full the price forecast is not for a distribution to United States wire services. 		4	latural Gas	Uquid price	es are foreca	sted at Edmor	iton therefore	an additional t	ransportation o	ost must be includ	led to plant gate	sales point.														
 The second second		1-	Mcf is equ.	ivalent to 1	mmbtu.	office and service	Contraction of the second																			
- Abord par prices, except ACC include an Average cond service to the plant part. Disclaimer - No expressed not on warranty of any kind (whether expressed or implied) is given by Deloitle & Touche LLP as to the accuracy, completeness, currency or fitness for any purpose of this document. As such, this document does not constitute the going of intesting to any service on investment decisions, Accordingly, regardless of this document. As such, this document does not constitute the going of intesting to any kind and discipant and investment decisions. Accordingly, regardless of this document, and the extent permitted by applicable law. Deloitle & Touche LLP action, whether in contract, thor or otherwise, and to the extent permitted by applicable law. Deloitle & Touche LLP accessions, accessions and insolvy of any kind and discipant all responsibility for the consequences of any person acting or refraining from acting in reliance on this this price forecast is not for for discribute but actions wine avrives.		- Re	eal dollars l	listed includ	le future gro.	wth in prices w	with no escalati	on considered																		
Disclaimer - No representation or warranty of any kind (whether expressed or implied) is given by Deloitle & Touche LLP as to the accuracy, completeness, currency or fitness for any purpose of this document. As such, this document does not expertenent advice, nor a part of any advice on investment docts sorts and the expressions. Accordingly, regardless of the form of action, whether in contract, tort or otherwise, and to the extend advices tor a part of any advice on investment docts sorts. Accordingly, regardless of the form of action, whether in contract, tort or otherwise, and to the extent permitted by applicable law. Deloitle & Lucube LLP accuracy, accuracy, advices on the visit advices to a sort and to the extent permitted by applicable law. Deloitle & dissemination in the United States wire services.		- W	berta gas p	prices, excep	pt AECO, incl	ude an Averag	e cost of serviv	e to the plant	gate.																	
To concrease use grown or investment concreases and the second meterine designers. Accountigy: regardless of the form of action, whether in contract, tort or otherwise, and to the extent permitted by applicable law. Delotite & Touche Le applies of the form of action, whether in contract, tort or otherwise, and to the extent permitted by applicable law. Delotite & descent permitted by applicable law. Delotite & descent permitted by indiand disclams all responsibility for the consequences of any person acting or refraining from acting in reliance on this this price forecast in mple or in part. This price forecast is not for discrimination to the disclams with a services.		isclaimer -	No repi	resentati	ion or wal	rranty of ar	ly kind (wh	ether expr	essed or im	plied) is give	n by Deloitte	& Touche	LLP as to i	the accurat	icy, comple	steness, curi	rency or fith	ess for any	purpose o	f this docur	nent. As si	uch, this d	ocument do	es		
dissemination in the United States or for distribution to United States wire services are services and according in tension or interview	Ē	ouche LLP	accept	ts no liab	nvestmer.	r advice, n	or a part o. disclaims	all respons	e on investr ibility for the	ment decision a consequence	is. Accordin	igly, regard erson actin	less of the	form of act	tion, wheth	her in contra	ict, tort or oti	herwise, ar	d to the ex	tent permit	ted by appl	licable law	, Deloitte &	8		
	þ	isseminat	ion in th	he Unite	d States	or for dis.	tribution to	o United S	tates wire	services.					ai ili filma		aning price	Intecast In	Whole of It.	part. In	is price to	recast is n	tot for			

SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS AS OF JUNE 30, 2012 (Forecast Prices & Costs)

\$11.50 (56.51) 56.93 513.59 513.59 (514.50) (514.50) 540.99 540.99 540.99 519.51 (54.97) 534.51 (54.97) (54.97) 534.51 (54.97) 579.49 579.49 579.40 577.66 5777.66 577.66 577.66 577.66 577.66 577.66 577.66 577.66 577.66

C

Reconciliation Of Changes In Reserves And Future Net Revenue

The following table provides a reconciliation of Blackhawk's gross reserves based on forecast prices and costs.

	Light and me	dium crude oil	(combined)	Natural Gas and	$1 \text{ CBM}^{(1)}$	
			Proved +			Proved +
	Proved	Probable	Probable	Proved	Probable	Probable
	(Mbbl)	(Mbbl)	(Mbbl)	(MMcf)	(MMcf)	(MMcf)
June 30, 2011	285.2	388.8	674.0	154.6	74.8	229.4
Discoveries, Extensions						
and Improved recovery	0.0	0.0	0.0	0.0	0.0	0.0
Economic Factors	0.0	3.6	3.6	-1.0	-1.6	-2.6
Technical Revisions	1.0	-0.9	0.1	27.0	-4.2	22.8
Dispositions	-278.3	-388.0	-666.3	0.0	0.0	0.0
Production	-1.8	0.0	-1.8	-39.0	0.0	-39.0
June 30, 2012	6.1	3.5	9.6	141.6	69.0	210.6

	Heavy Oil			Natural Gas Liquid	ls	
	Proved	Probable	Proved + Probable	Proved	Probable	Proved + Probable
	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)
June 30, 2011	12.6	1.3	13.9	1.2	0.7	1.9
Discoveries, Extensions						
and Improved recovery	0.0	0.0	0.0	0.0	0.0	0.0
Economic Factors	-0.2	0.1	-0.1	0.0	0.0	0.0
Technical Revisions	10.2	8.5	18.8	0.1	-0.1	0.0
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0
Production	-9.7	0.0	-9.7	-0.3	0.0	-0.3
June 30, 2012	12.9	9.9	22.8	1.0	0.6	1.6

Note:

(1) Estimates of reserves of natural gas include associated and non-associated gas.

Significant Factors or Uncertainties

The process of evaluating reserves is inherently complex. It requires significant judgment and decision-making on the basis of the available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance become available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions. Factors and assumptions that affect these reserve estimates include, among other things: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability of production; (vii) effects of government regulations; and (viii) other government levies imposed over the life of the reserves.

As circumstances change and additional data become available, reserve estimates also change. Estimates 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. Revisions to reserve estimates can arise from changes in year-end prices, reservoir performance and geologic conditions or production. These revisions can be either positive or negative.

The evaluated oil and gas properties of Blackhawk have no material extraordinary risks or uncertainties beyond those that are inherent in an oil and gas producing company.

Future Development Costs

The Corporation has no future development costs associated with its reserves for the year ended June 30, 2012.

Oil and Gas Properties and Wells

Blackhawk is a junior oil and natural gas exploration and production company with all of its producing assets located in Alberta, Canada.

The Bodo property consists of two producing pools and over 11 net sections of undeveloped land. The three producing pools are referred to as the McLaren Pool located at section 30-T38R1W4, and the Colony Pool located at section 32-T39R2W4.

The McLaren Pool consists of three producing McLaren oil wells tied into a central processing and water disposal facility. One well is used for water disposal. The wells produce from the McLaren Formation at a depth of approximately 750m TVD. The oil is 12 degrees API and the wells typically produce with a water cut above 90%. Clean oil is trucked from the processing facility north to Talisman Chauvin where it is sold.

The Colony Pool consists of a single gas well producing gas out of the Colony Formation. The Colony Pool was put on production on August 20, 2010.

On May 8, 2012, but effective May 1, 2012, the Corporation sold the Sparky Pool property which consisted of a single horizontal well drilled into the Sparky Formation at a depth of approximately 725 m TVD.

Other producing oil and gas properties owned by Blackhawk include Wood River at section 11 T43R23W4, Queenstown at section 34 T18R22W4, Edson at section 19 T53R15W5and Greencourt at section 18 T60R9W5. The Wood River property produces natural gas from the Horseshoe Canyon Coal Formation, the Queenstown property produces oil and gas from two vertical wells in the Glauconite Formation, The Edson property produces gas from a horizontal well in the cardium sandstone formation and the Greencourt property produces oil and gas from the Viking Formation.

The following table shows additional information regarding Blackhawk's wells at June 30, 2012.

OIL AND GAS WELLS

Produc	cing	Non-Proc	lucing
Gross ⁽¹⁾	Net ⁽²⁾	Gross ⁽¹⁾	Net ⁽²⁾
4.0	3.1	3.0	3.0
7.0	2.3 5 4	8.0 11 0	3.8 6.8
	Gross ⁽¹⁾ 4.0	4.0 3.1 7.0 2.3	Gross ⁽¹⁾ Net ⁽²⁾ Gross ⁽¹⁾ 4.0 3.1 3.0 7.0 2.3 8.0

Notes:

(1) "Gross" wells mean the number of wells in which Blackhawk has a working interest or a royalty interest that may be converted into a working interest.

(2) "Net" wells means the aggregate number of wells obtained by multiplying each gross well by Blackhawk's percentage working interest therein.

Properties with No Attributed Reserves

The following table sets forth information respecting Blackhawk's undeveloped lands as at June 30, 2012.

PROPERTY WITH NO ATTRIBUTED RESERVES

Unproved Properties

	Gross Acres	Net Acres	2012 Expiring Net Acres
LOCATION			
Provost Area	6,275	6,275	0
Wood River	800	800	0
Edson	640	141	0
Esther	3,200	1,536	0
Peoria	640	240	0
TOTAL	11,555	8,992	0

Note:

(1) Unproved properties have no attributed reserves as of June 30, 2012. Undeveloped acreage within properties where proven reserves have been booked as of June 30, 2012 has not been included.

Forward Contracts and Marketing

Blackhawk had no hedges in place during the financial year ended June 30, 2012. Subsequent to June 30, 2012, Blackhawk has not entered any fixed price physical contracts.

Additional Information Concerning Abandonment and Restoration Cost

Abandonment Costs (Thousands of Dollars) For Wells with Reserves

	2012	2013	2014	2015	2016	2017	Remainder	Total	Discounted at 10%
Proved Producing	0.0	77.7	66.0	81.9	5.4	65.3	319.2	615.5	367.9
Total Proved	0.0	77.7	66.0	81.9	5.4	65.3	319.2	615.5	367.9
Total Proved plus Probable	0.0	77.7	66.0	56.2	5.4	44.3	381.9	631.5	348.4

Tax Horizon

Blackhawk is forecast to begin paying cash taxes in 2012.

Costs Incurred

The following table summarizes certain expenditures for Blackhawk during the years ended June 30, 2012 and June 30, 2011.

	2011	2010
('000s) (excluding asset retirement obligations and capitalized stock-	(\$)	(\$)
based compensation)		
Land and lease retention	7.6	11.5
Property acquisitions and		
adjustments	0.0	754.2
Drilling and completions	16.6	859.9
Equipment and facilities	118.8	710.8
Geological and geophysical	0.0	0.0
Total capital expenditures ⁽¹⁾	143.0	2,336.3
Note:		

(1) The total exploration and development costs in 2012 and 2011 was \$Nil and \$28,506 respectively.

Exploration and Development Activities

Blackhawk did not participate in any drilling or completions in fiscal 2012.

Production Estimates

The following table summarizes Blackhawk's estimated future average daily production volumes for 2012 for each product type.

SUMMARY OF PRODUCTION ESTIMATES BY FIELD: PROVED RESERVES FOR YEAR 2012 ⁽¹⁾ (FORECAST PRICES & COSTS)

	Light & Medium Oil (bbl/d)	Heavy Oil (bbl/d)	Natural Gas ⁽²⁾ (Mcf/d)
FIELD			
Edson	0.0	0.0	6.6
Provost	0.0	11.7	0.0
Wood River	0.0	0.0	33.7
Queenstown	0.8	0.0	5.0
Greencourt	1.5	0.0	1.7
TOTAL	2.3	11.7	47.0

Notes:

(1) Daily production is taken from the AJM Report as of June 30, 2012.

(2) Natural Gas includes Associated and Non-Associated sales gas volumes.

SUMMARY OF PRODUCTION ESTIMATES BY FIELD: PROVED PLUS PROVABLE RESERVES FOR YEAR 2012 ⁽¹⁾ (FORECAST PRICES & COSTS)

	Light & Medium Oil	Heavy Oil	Natural Gas ⁽²⁾
	(bbl/d)	(bbl/d)	(Mcf/d)
FIELD			
Edson	0.0	0.0	6.7
Provost	0.0	12.5	0.0
Wood River	0.0	0.0	34.2
Queenstown	0.8	0.0	5.1
Greencourt	1.5	0.0	1.8
TOTAL Notes:	2.3	12.5	47.8

Notes:

(1) Daily production is taken from the AJM Report as of June 30, 2012.

(2) Natural gas includes associated and non-associated sales gas volumes.

Production History - Year Ended June 30, 2012

The following tables summarize certain information in respect of Blackhawk's production, product prices received, royalties paid, operating expenses and resulting netback for the indicated periods during the financial year ended June 30, 2012.

	3 month period Jul. 1, 2011 – Sep. 30, 2011	3 month period Oct. 1, 2011 – Dec. 31, 2011	3 month period Jan. 1, 2012 – Mar. 31, 2012	3 month period Apr. 1, 2012 – Jun. 30, 2012
Average Daily Production				
Oil & NGLs (bbls/d)	65.9	95.5	94.7	45.9
Gas (mcf/d)	102.0	110.3	93.2	83.5
Boe/d	82.9	113.9	110.2	59.8
Average Price Received				
Oil and NGLs (\$/bbl)	\$71.55	\$86.63	\$81.09	\$69.17
Gas (\$/mcf)	\$3.71	\$3.32	\$2.24	\$1.95
Combined (\$/boe)	\$61.45	\$75.86	\$71.56	\$55.81
Royalties				
Oil & NGLs (\$/bbl)	\$20.66	\$22.73	\$28.83	\$12.64
Gas (\$/mcf)	\$0.19	\$0.16	\$0.14	\$0.03
Combined (\$/boe)	\$16.66	\$19.22	\$24.89	\$9.75
Operating Expenses				
Combined (\$/boe)	\$20.54	\$12.90	\$8.27	\$9.89
Transportation	\$1.33	\$2.50	\$1.99	\$2.81
Netback Received				
Combined (\$/boe)	\$22.92	\$41.24	\$36.41	\$33.36

The following table summarizes Blackhawk's average net production volumes during the year ended June 30, 2012 for each field in total, by product type.

	Light & Medium Oil (bbl/d)	Natural Gas ⁽¹⁾ (Mcf/d)	Heavy Oil (bbl/d)	Natural Gas Liquids (bbl/d)
ELD				
Edson	0.0	20.0	0.0	0.0
Provost	52.2	3.1	27.0	0.0
Greencourt	2.6	4.1	0.0	0.0
Queenstown	1.8	11.0	0.0	0.5
Woodriver	0.0	73.3	0.0	0.0
Total	56.6	111.5	27.0	0.5

Note:

(1) Natural Gas includes Associated and Non-Associated sales gas volumes.

Employees/Consultants

As at June 30, 2012 and the Effective Date, Blackhawk had three part-time consultants whose services are used on a regular basis for day-to-day operations.

Environmental

Blackhawk believes that it is in compliance with applicable existing environmental laws and regulations and is not aware of any proposed environmental legislation or regulations with which it would not be in material compliance. However, the natural resources industry may in the future become subject to more stringent environmental protection rules. This could increase the cost of doing business and may have a negative impact on earnings in the future.