

October 26, 2011

Blackdog Resources Ltd. Announces Drilling Royalty Credits Refund of \$261,224.28 and Update on Operations

Blackdog Resources Ltd. (“Blackdog” or the “Company”) (TSXV:DOG) is pleased to announce that during Q3, 2011, the Company was issued an aggregate of \$261,224.28 in payments pursuant to the Government of Alberta Ministry of Energy's drilling royalty credit program (“DRC Program”). Under the terms of the DRC Program, the Company was able to deduct up to 50% of the royalties it paid on wells in Alberta between April 1, 2010 and March 31, 2011 by using DRC Program credits it accrued during this time period.

The first DRC Program payment issued to the Company was \$79,500, pursuant to DRC Program credits accrued by the Company during the drilling of its 15% working interest (“W.I.”) in a Pembina area cardium horizontal well, which was drilled in February, 2011.

The second DRC Program payment issued to Blackdog was \$363,448.57 (net \$181,724.28) in connection with an agreement entered into between Blackdog and a third party public company (“Pubco”), pursuant to which Pubco transferred certain DRC Program credits to Blackdog in consideration of receiving 50% of the DRC Program payments issued to Blackdog for these credits. Blackdog incurred no capital costs to receive the transferred credits. Pursuant to its agreement with Pubco, Blackdog reimbursed Pubco \$181,724.28, which was 50% of the DRC Program payment received.

The Company also announces that construction has commenced on the pipeline on its Leduc Reef light oil well (15% W.I.) near Sylvan Lake, Alberta and the Company anticipates having the well on production within the next 14 days. The Company also announces that a pipeline is being completed on its Pembina area cardium horizontal well(15% W.I.) so that Blackdog and its partners will be able to capture the natural gas and natural gas liquids for sale in addition to light oil, which has been produced at the well since March, 2011. The construction of the pipeline is expected to be completed in November and will have no impact on current production.

Blackdog Resources Ltd is a junior oil and gas company focused on the development of medium and light oil properties in South-east Saskatchewan and Alberta. The Company has 24,578,318 common shares outstanding.

For Further Information Contact:

Blackdog Resources Ltd.

David A. Corcoran, President

(403) 245-1726

davidcor@telus.net

www.blackdogresources.com

Certain information regarding Blackdog in this news release, including management's assessment of the expected time of light oil production and future plans and operations, may constitute forward looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with pipeline construction and tie-in operations, general risks associated with oil and gas exploration, development, production, marketing and transportation, loss of markets, volatility of commodity prices, imprecision of reserve estimates, environmental risks, competition from other producers, unexpected decline rates in wells, wells not performing as expected, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Blackdog's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). The forward-looking statements or information contained in this news release are made as of the date hereof and Blackdog does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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