

Blackdog announces year-end results and major increase in updated reserve report

Blackdog Resources Ltd. (“Blackdog” or the “Company”) (TSX V:DOG) is pleased to provide a review of our first year of operations, our financial results and independent reserve evaluation for the fiscal year ending December 31, 2006.

Chapman Petroleum Engineering Ltd. (“Chapman”) was engaged by the company to complete its National Instrument 51-101 compliant year end Reserve report (“the Chapman Report”). Blackdog’s reserves increased substantially in 2006. The Chapman Report shows that the value of Blackdog’s Net Present Value of Future Net Revenues of Proved Reserves at a 10% discount improving from \$320,000 in 2005 to \$1,974,000 in 2006. This is an increase of \$1,654,000 or 516%. Blackdog’s Net Present Value of Future Net Revenues of Proved plus Probable Reserves at a 10% discount improved from \$1,006,000 in 2005 to \$2,611,000 or by 159%. The full report can be found on [www.sedar.com](http://www.sedar.com)

Blackdog completed a Reverse Takeover Amalgamation with Lamplighter Energy Ltd. (“Lamplighter”) on January 12, 2006. Blackdog had working capital of approximately \$1 million on January 12, 2006.

On February 28, 2006, Blackdog completed a non-brokered Private Placement offering for gross proceeds of \$353,800 by issuing 884,500 common shares at \$0.40 per share. Directors and their families purchased 27% of this offering.

In March of 2006, Blackdog completed a work over on a shut in oil well at its 100% owned Whitebear, Saskatchewan property. Cost of the work over was approximately \$34,000 and Blackdog expects to recoup this investment within one year.

Also in March 2006, Blackdog announced plans to farm-in on an exploration oil well in the Widewater area near Slave Lake, Alberta. Under the terms of the farm in agreement, Blackdog would pay 25% of all costs to completion or abandonment to earn a 15% interest in 4 sections of land within the Area of Mutual Interest (“AMI”) the agreement covers. The well was subsequently delayed due to rig availability and inclement weather. The operator applied and was granted an extension to the drilling license for this well until November 2007 by the Ministry of Energy. The well is now expected to be drilled in the fall of 2007 and Blackdog is reviewing its participation in this project.

On April 21, 2006, the TSX Venture exchange (“TSXV”) issued a bulletin that Blackdog has met all conditions of their minimum listing requirements and was now a fully listed Tier 2 Oil and Gas Issuer on the TSX Venture Exchange.

During the summer months of 2006, Blackdog reviewed multiple drilling farm in projects and production sale opportunities but given the record WTI oil price of \$78.40 U.S. per barrel of oil, coupled with collapsing natural gas prices and extraordinarily high drilling costs, management determined it was in the shareholders’ best interests to preserve the

Company's cash position until a more balance oil and gas pricing and cost structure materialized.

On October 17, 2006, Blackdog announced it had signed a farm in agreement with a private oil and gas company ("Privco") to participate in the drilling of an exploration gas well in the Crystal/Pembina area near Winfield, Alberta. Under the terms of the AMI, Blackdog would pay 25% of all costs to earn a 15% interest in the section of land the AMI covered. The well was spud on October 13<sup>th</sup> and after a review of the logs, the well was cased a week later. The well has subsequently tested at natural gas rates up to 1.7 million cubic feet per day ("MMcf/d") plus liquids and is currently awaiting tie-in post spring 2007 breakup.

On November 7<sup>th</sup>, Blackdog announced it has signed a second farm in agreement with Privco to drill an exploration gas well in the Breton/Pembina area. Under the terms of the AMI, Blackdog would pay 25% of all costs to earn a 15% interest, notwithstanding a 10% Gross Overriding Royalty on the section of land the AMI covered. The well was spud on November 3, 2006 and after a review of the logs, the well was cased a week later. The well subsequently tested at natural gas rates of up to 1.0 MMcf/d plus liquids with very strong reserves and is currently awaiting tie-in post spring 2007 breakup.

On November 23<sup>rd</sup>, Blackdog announced it has signed a third farm in agreement with Privco to drill an oil/gas development well in the Harmattan area, near Sundre, Alberta. Under the terms of the AMI, Blackdog would pay 25% of all costs to earn a 15% interest in the half section of land the AMI covered. The well was spud on November 19, 2006 and after a review of the logs was cased in early December. The well subsequently tested at rates up to 1.6 MMcf/day plus liquids and should be tied in and producing by mid May, 2007.

For the year, Blackdog participated in the drilling of 3.0 wells (net 0.45 to Blackdog) and achieved a 100% drilling success rate.

On December 31, 2006, Blackdog closed a brokered flow through Private Placement for gross proceeds of \$989,785.50 by issuing 1,799,610 flow through shares at \$0.55 per share.

Blackdog's total revenue for 2006 was approximately \$640,000 based solely from its 5 well 100% owned Whitebear, Saskatchewan property. Blackdog produced 10,556 boe of oil or 29 boe per day and received an average selling price of \$63.50 U.S. Blackdog's net loss for the year was \$567,027 of which \$351,535 was due to depletion charges and \$216,034 was due to stock option compensation charges. The combination of these charges basically comprise the entire net loss for the year ending December 31, 2006. Blackdog ended the year with working capital in excess of \$1,100,000 and no debt. For further detailed information on Blackdog's 2006 results please review Blackdog's Audited financials on [www.sedar.com](http://www.sedar.com)

On reviewing its year-end results, Blackdog recognized that the depletion charges associated with quarters one, two and three were inaccurate and as such Blackdog has chosen to voluntarily restate the Operating results for these three quarters which has increased the loss for each quarter by \$73,432, \$80,421 and \$80,674 accordingly. These charges are non cash charges and do not effect the operating activities of the company.

To recap Blackdog completed a very busy and exciting first year of operations and is now well funded, well focused and well motivated to increase shareholder value and equity in 2007 and beyond.

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The TSX Venture Exchange has not reviewed and does accept responsibility for the adequacy or accuracy of this release.