

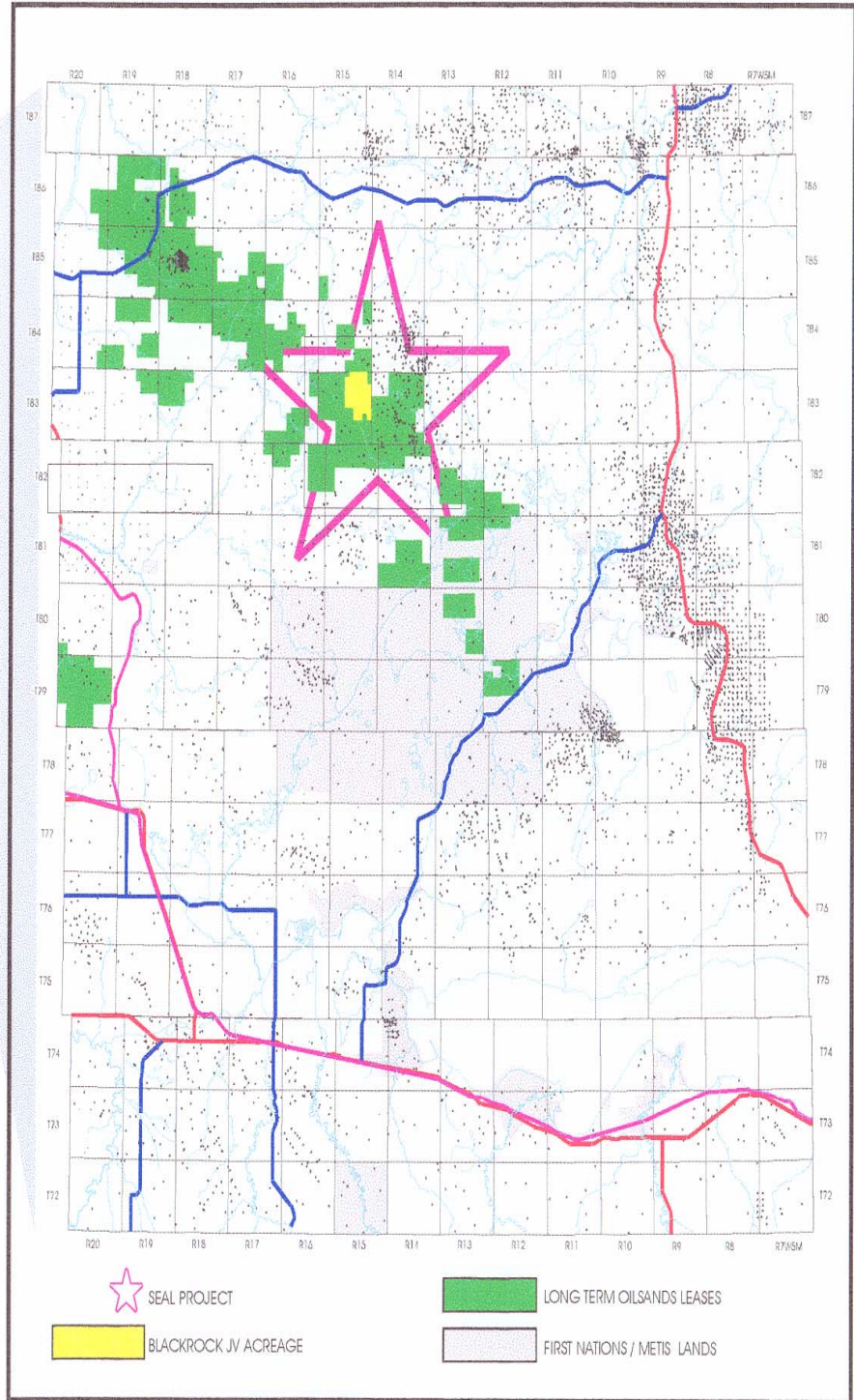
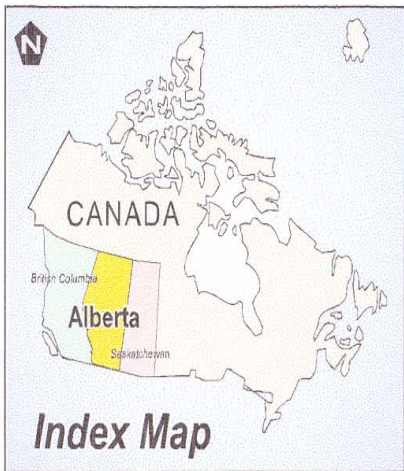
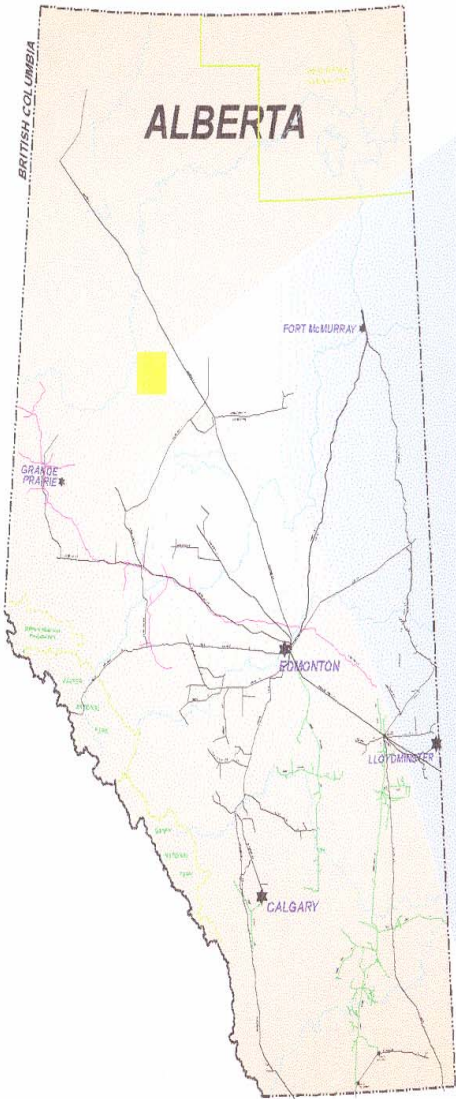
**BLACKROCK VENTURES INC.
SEAL LAKE PROJECT
PEACE RIVER OIL SANDS AREA
AEUB ANNUAL REVIEW
MARCH 2005**

PRESENTATION OUTLINE

- SEAL LAKE PROJECTS - LOCATOR MAP
- PRIMARY RECOVERY - APPROVAL #8972B
 - Project development map and activity update
 - Geological update
- Net pay map
 - Well Performance
 - Four (4) original well production plots
- PRIMARY RECOVERY - APPROVAL #9727
 - Project development map
 - Activity and geological update
 - Net pay map
 - Well Performance
 - Original well production plot

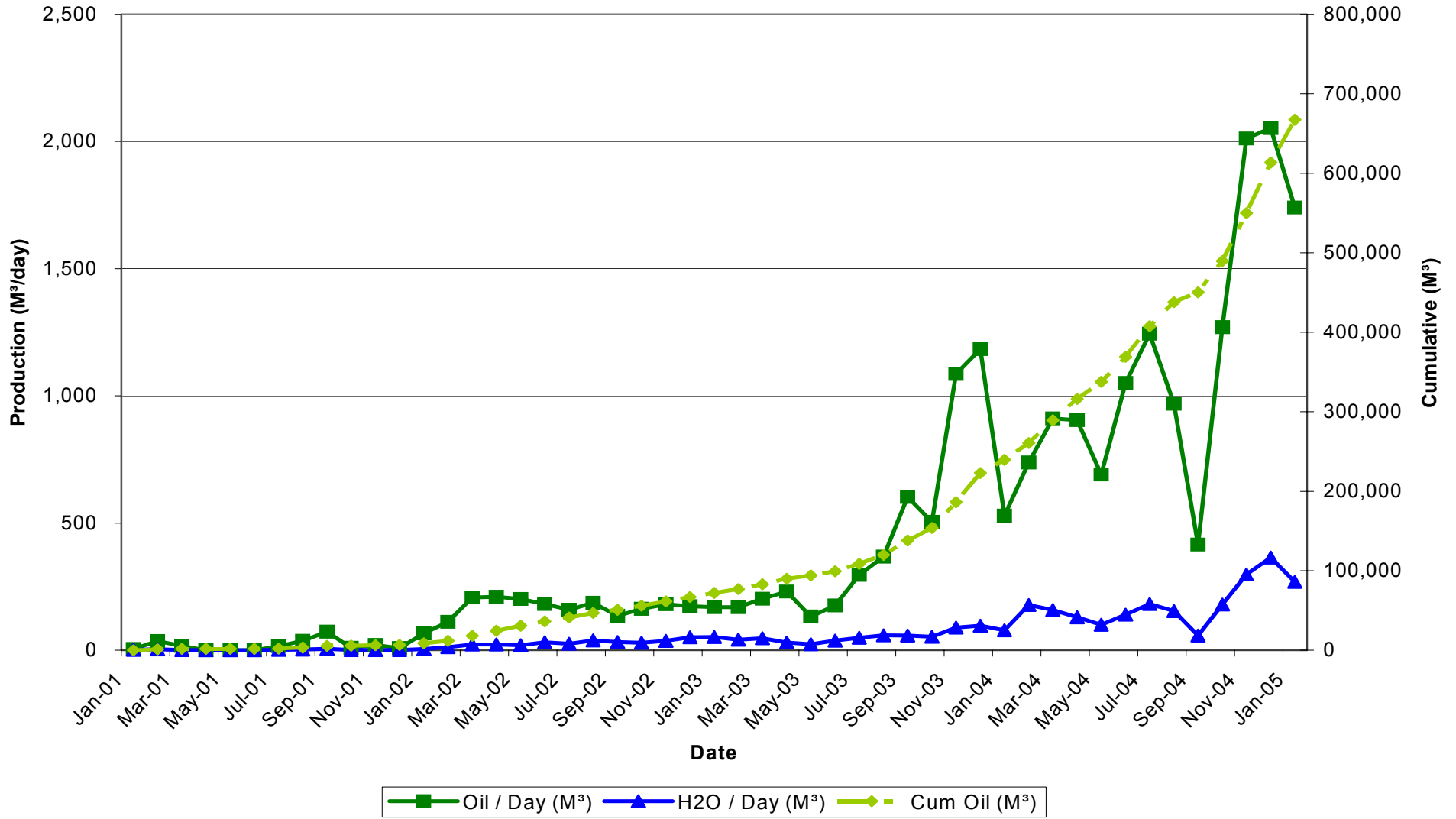
PRESENTATION OUTLINE cont.

- PRIMARY RECOVERY - APPROVAL #9312A
 - Production evaluation horizontal wells in exploration blocks
- REGULATORY COMPLIANCE
- SEAL LAKE AREA - RECOVERY EVALUATION
 - Results Summary from April 2004 submission
 - Primary Recovery - Foamy oil study (recap from last yr.)
 - Thermal Recovery (recap from last yr.)
 - Steam compatibility tests
 - Thermal recovery study (Hycal) - stacked native core / fluids
 - Thermal recovery review
- 2005 ACTIVITIES
- OPEN DISCUSSION



BLACKROCK / KOCH / MURPHY JV SEAL PROJECT

SEAL LAKE



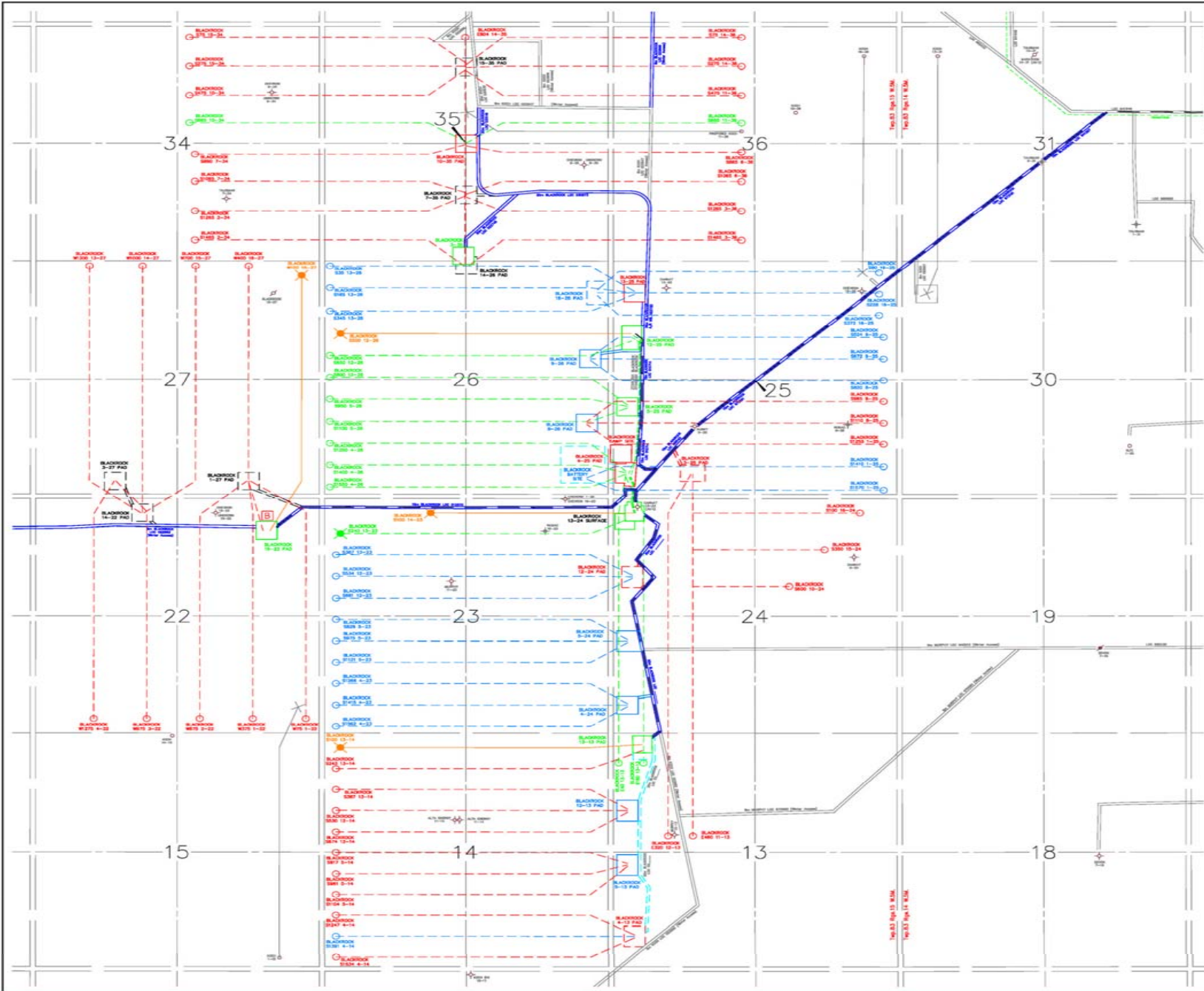
BLACKROCK
 BLACKROCK SURVEYS INC.
 MIDWEST SURVEYS INC.

PLAN SHOWING BORE PATHS
 WITH THEORETICAL

Sec. 30 Twp. 83 Rge. 14 W. 5M. &
 27, 34, 35 & 36 Twp. 83 Rge. 15 W. 5M.

MAY 28, 2003
 BR/KR
 SCALE: 1/8"=100'

2-2005-03-3
 UPDATED FEBRUARY 11, 2004



- ABANDONED DL
 - DRY ABANDONED
 - SUSPENDED DL
 - SUSPENDED WELL
 - EXISTING PAD SITE
 - PAD SITE WITH EXISTING BORE
 - PROPOSED PAD SITE
 - SURVEYED PAD SITE BEFORE APRIL 1, 2003
 - SURVEYED PAD SITE AFTER APRIL 1, 2003
 - ORIGINAL HORIZONTAL WELL BORE
- HORIZONTAL WELLS DRILLED:**
- DEC. 2002 - MAY 2003
 - JULY 2003 - DEC. 2003
 - JAN. 2004 - MARCH 2004
- EXISTING ACCESS ROAD
 - HIGH GRADE ROAD
 - SURVEYED A/R BEFORE APRIL 1, 2003
 - SURVEYED A/R AFTER APRIL 1, 2003
 - PROPOSED ACCESS ROAD

Top 83 Rge. 14 W. 5M.
 Top 83 Rge. 15 W. 5M.

Top 83 Rge. 15 W. 5M.
 Top 83 Rge. 14 W. 5M.

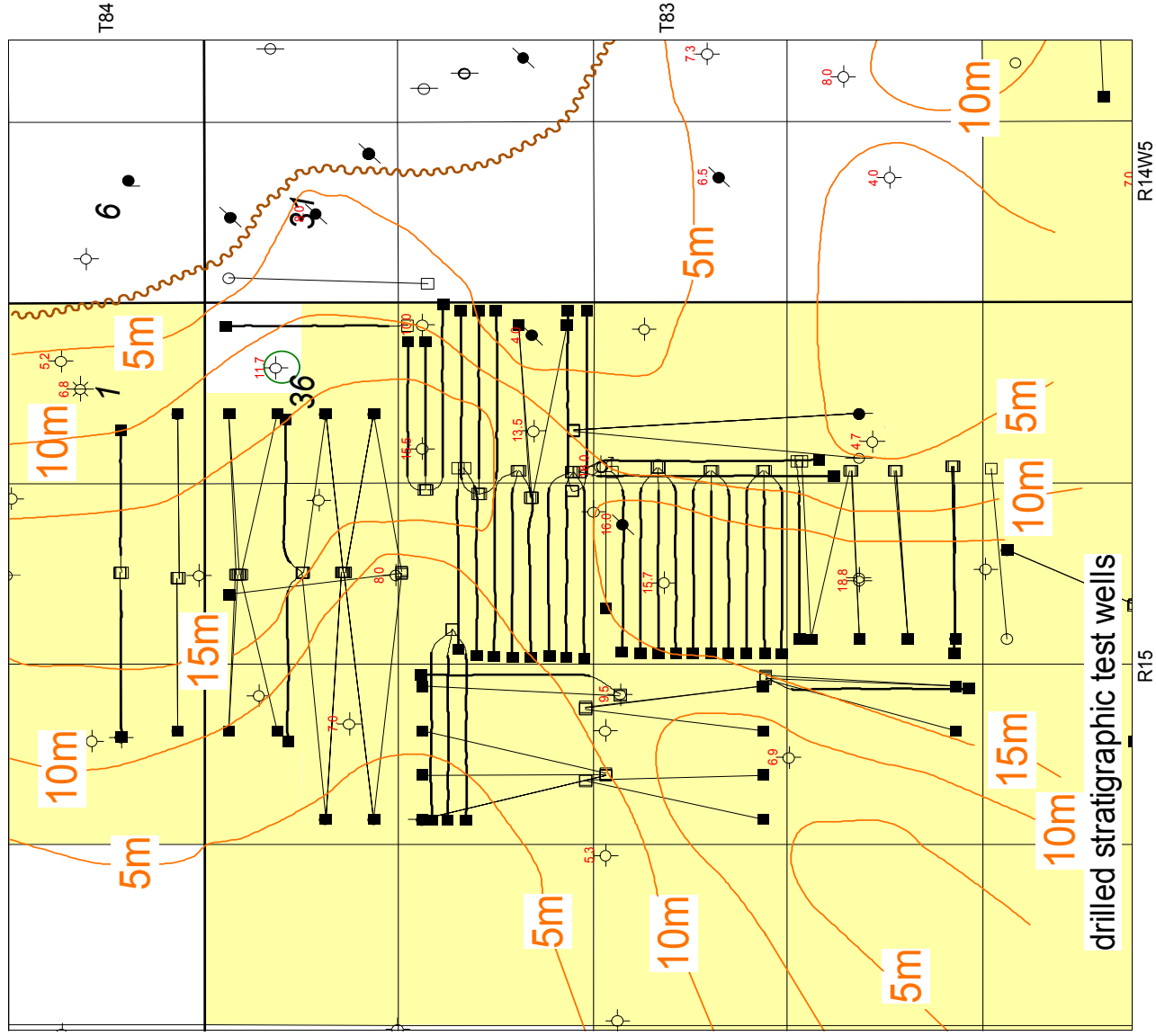
APPROVAL# 8972B DEVELOPMENT ACTIVITY

- Drilled an additional 40+ horizontal production wells in 2004. Total producing wells of 76. Field capable of ~2300 m³/day of heavy oil
- New wells have similar production characteristics to the original horizontal wells
- No interference / communication was observed while drilling
- H₂O production remains low with a field average of 12%
- Expanded the treating facility to manage production volumes. Set-up a produced water disposal well and casing gas gathering system. Year round access complete and electrical distribution underway to all surface locations
- Sales pipeline in service since April 2004

APPROVAL# 8972B

GEOLOGICAL UPDATE

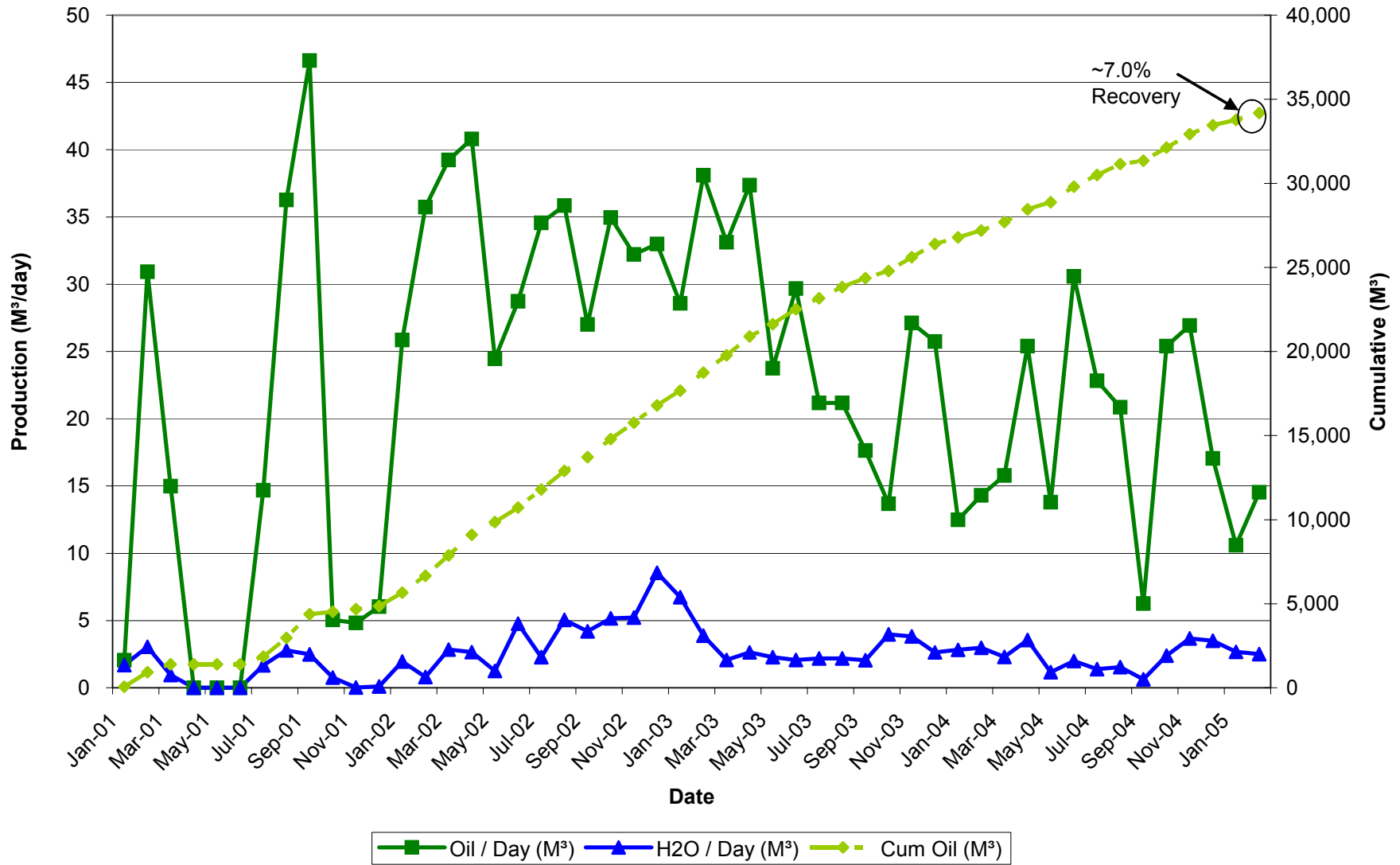
- 2004 drilling activity incorporated into pool interpretation. Net pay map attached
- Maximum thicknesses in the 17 meter range. Pool area margins re-defined with additional wells to the West
- Total bitumen in place is unchanged at $45 \times 10^6 \text{ m}^3$
- Reservoir modeling, detailed lab studies and production data from operating wells that have recovered 7% of calculated total bitumen in place confirms BlackRock's previous estimates of oil recovery
- Ongoing simulation work on secondary techniques (i.e. H₂O flood), indicate additional recovery of 3 to 5% is probable

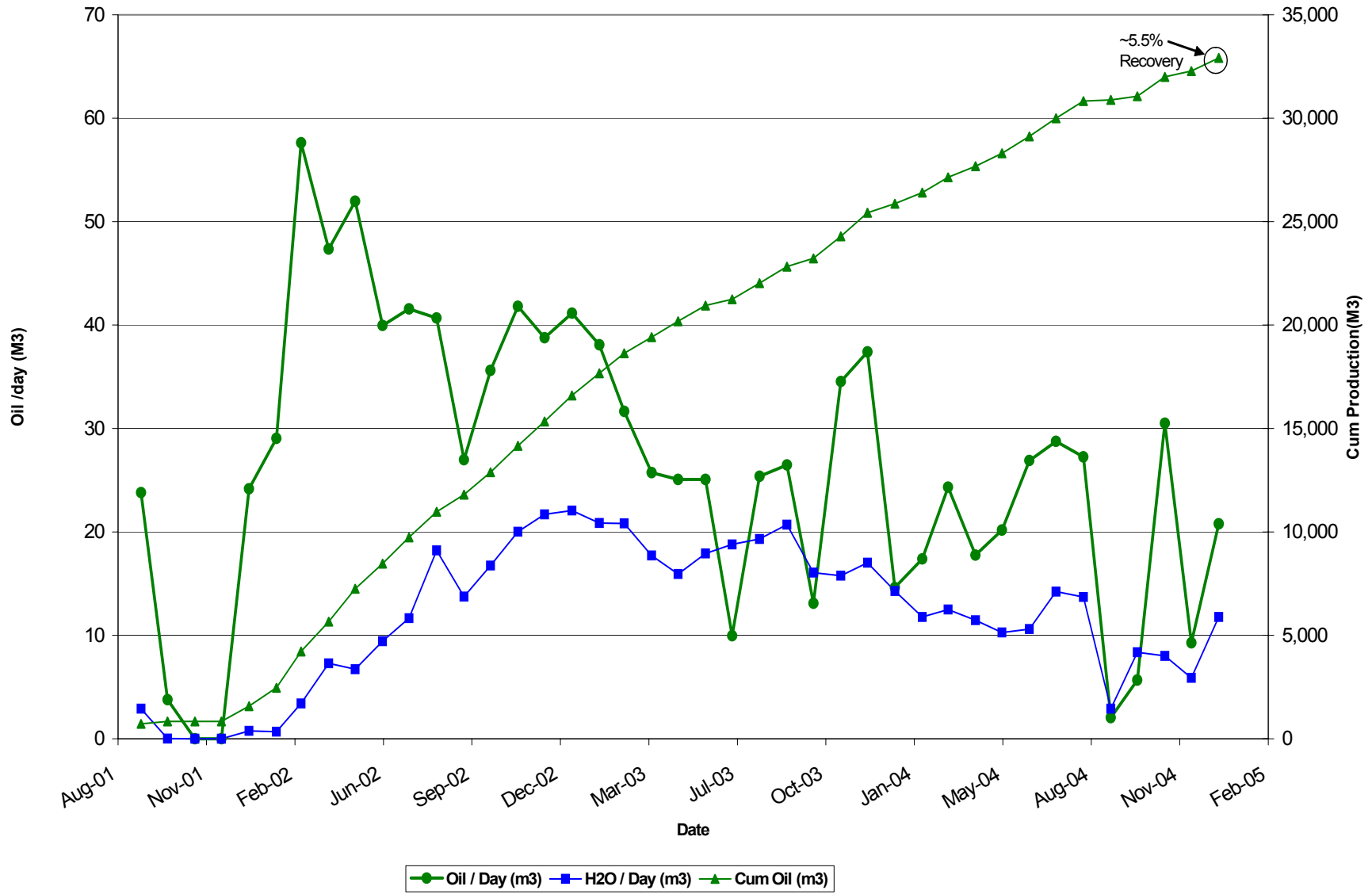


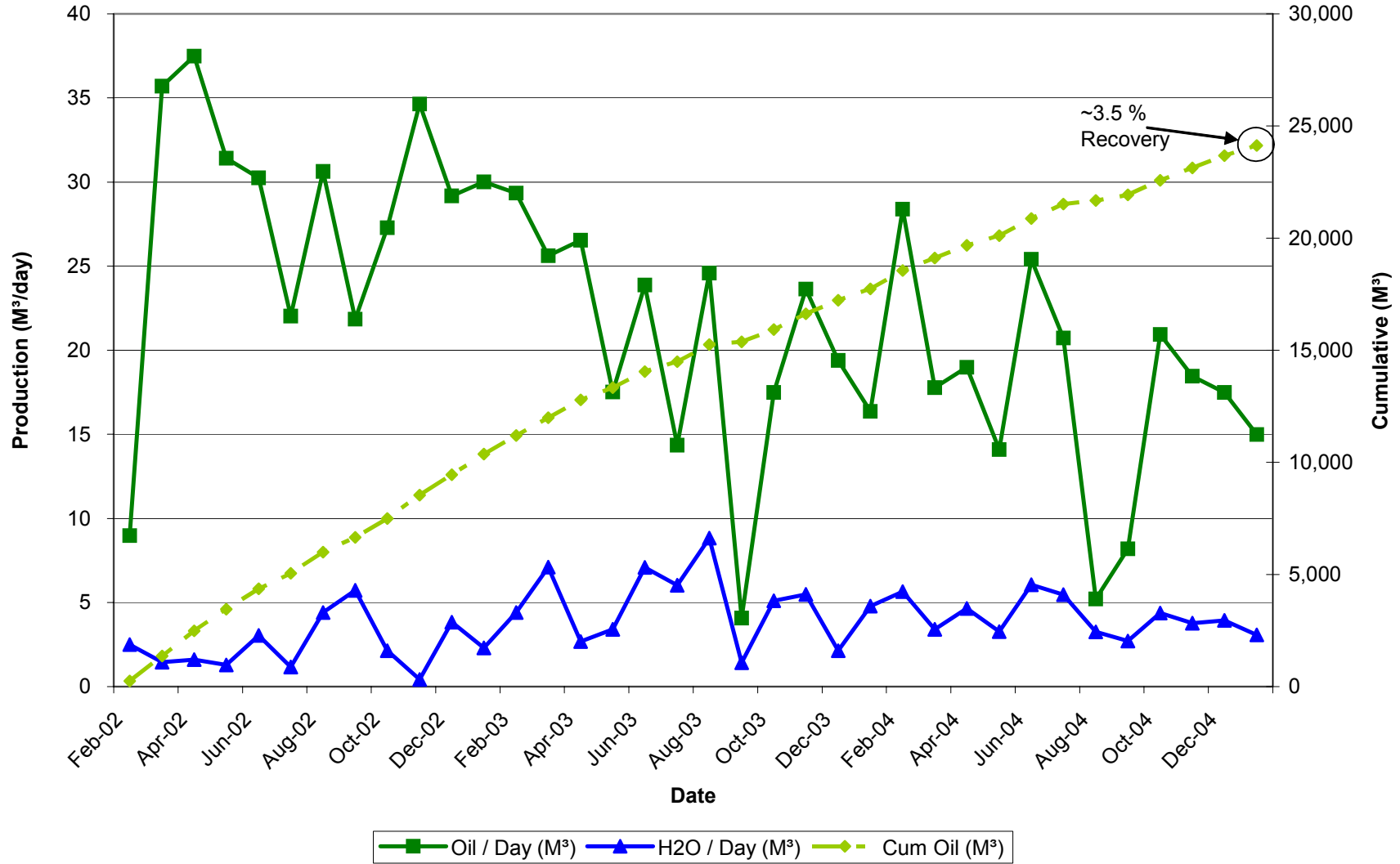
BLACKROCK	
SEAL CENTRAL BLOCK	
Bluesky Net Oil (+27% & +40 ohm)	
5m Contour Interval	
	geologic systems ltd. (403) 282-1992 www.geologic.com
By : PF	Date : 2005/02/28
Scale = 1:50000	Project : central block

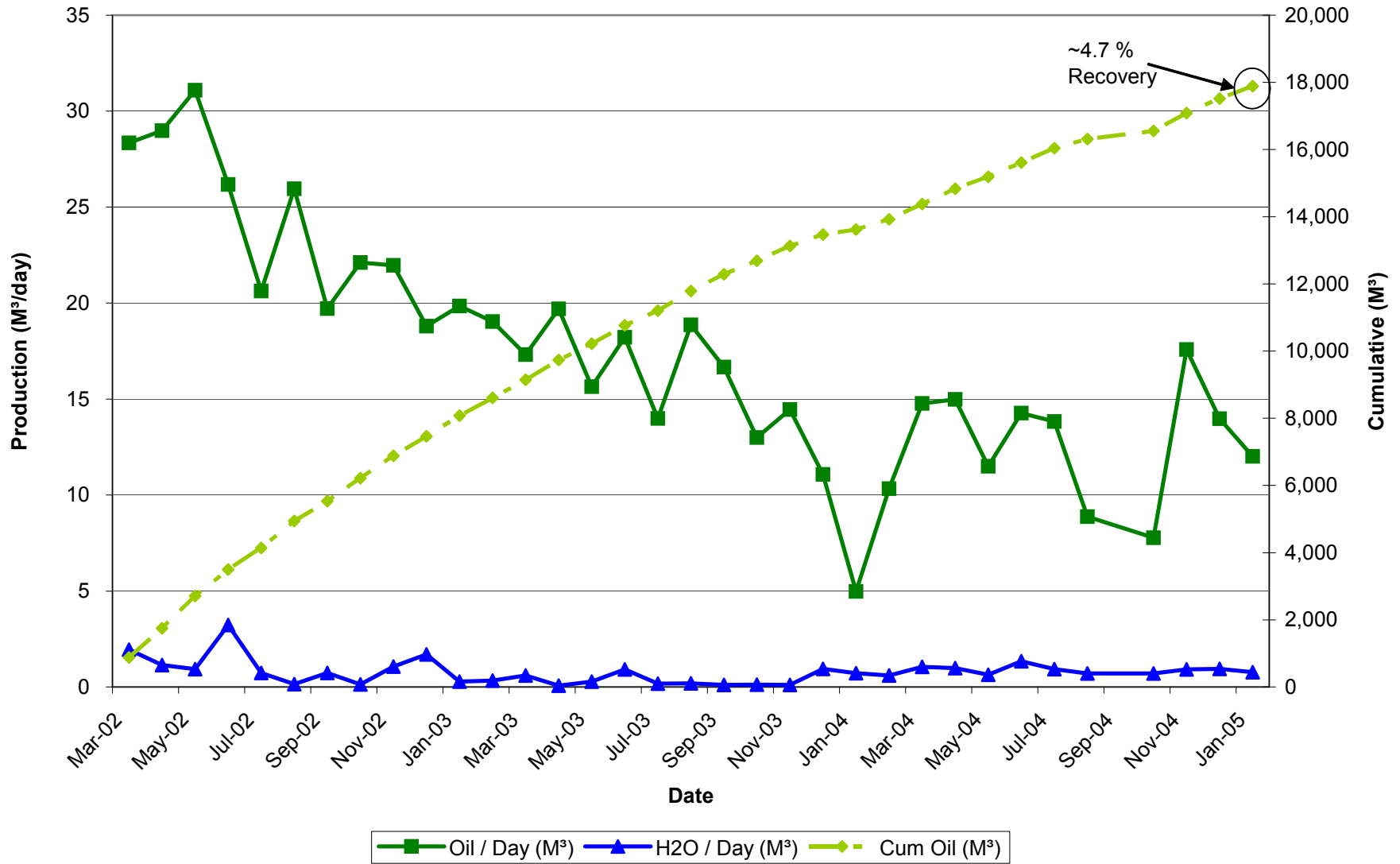


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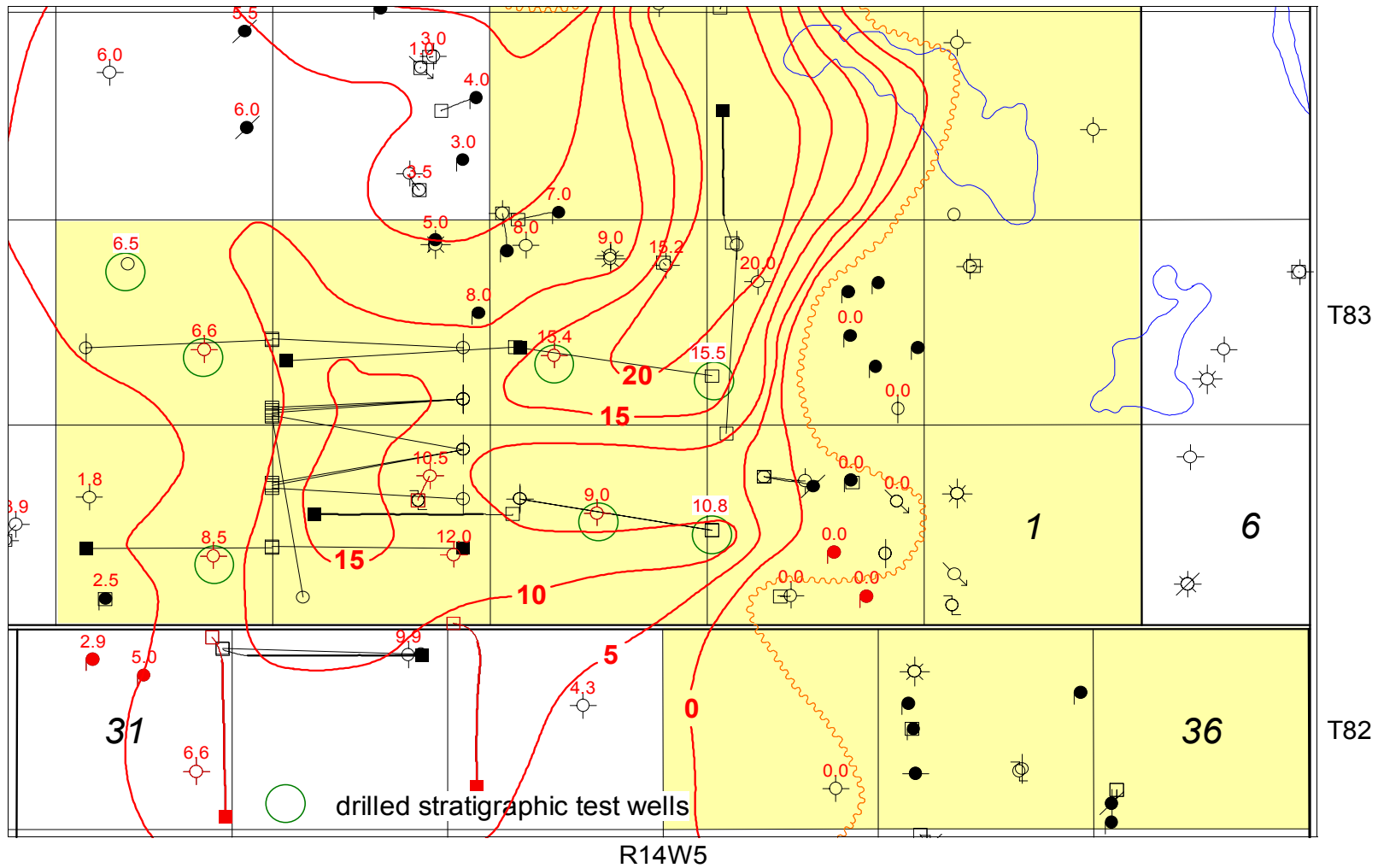





APPROVAL# 9727

DEVELOPMENT & GEOLOGICAL UPDATE

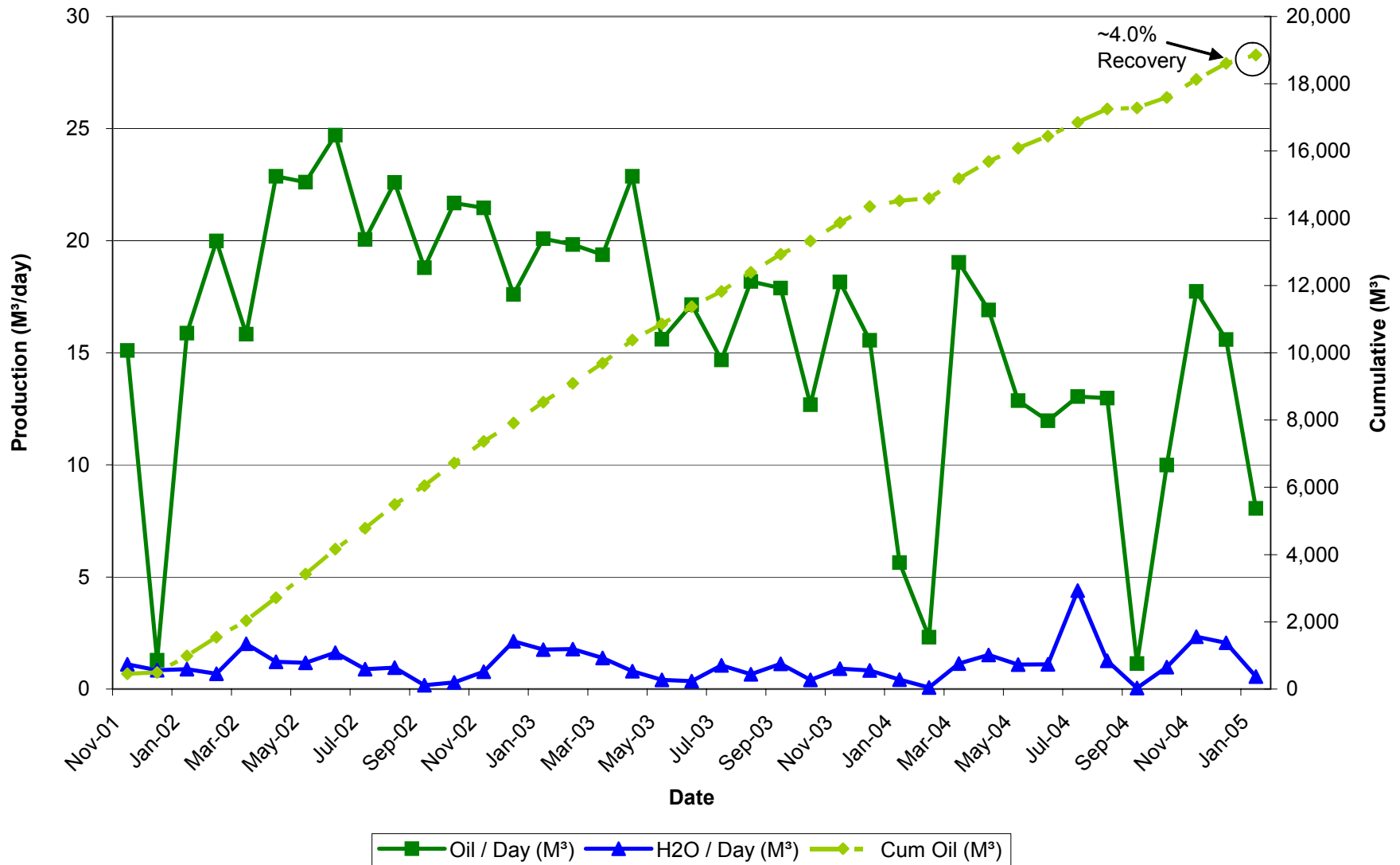
- Drilled fifteen (15) horizontal wells in late 2004 of the expected 60+ wells in the project area
- New wells have similar production characteristics to the original horizontal wells. Field currently capable of ~ 250 m³/day
- Currently evaluating the required infrastructure (i.e treating, pipeline, gathering systems) for full development
- Total area shows zone average thickness near 10 meters and the total bitumen in place in excess of 50×10^6 m³. Net pay map attached
- Expected recovery based on simulation work and data from producing wells will be similar to central block

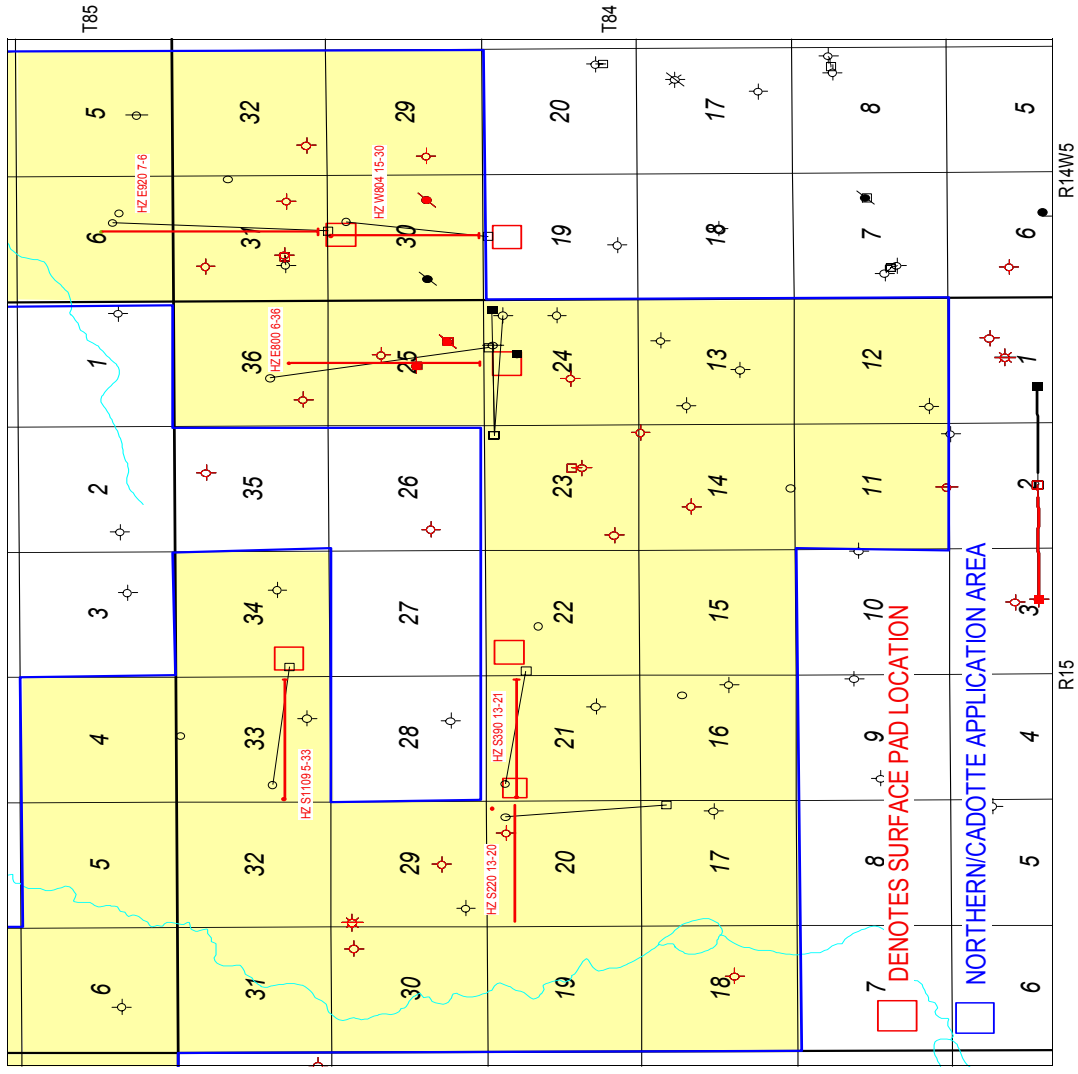


BLACKROCK	
SEAL EAST BLOCK	
Bluesky Net Oil (+27% & +40ohm)	
5m Contour Interval	
	geoLOGIC systems ltd. <small>since 1982</small> www.geologic.com
By : pf	Date : 2005/02/28
Scale = 1:45000	Project : east block




00/12-04-83-14W5





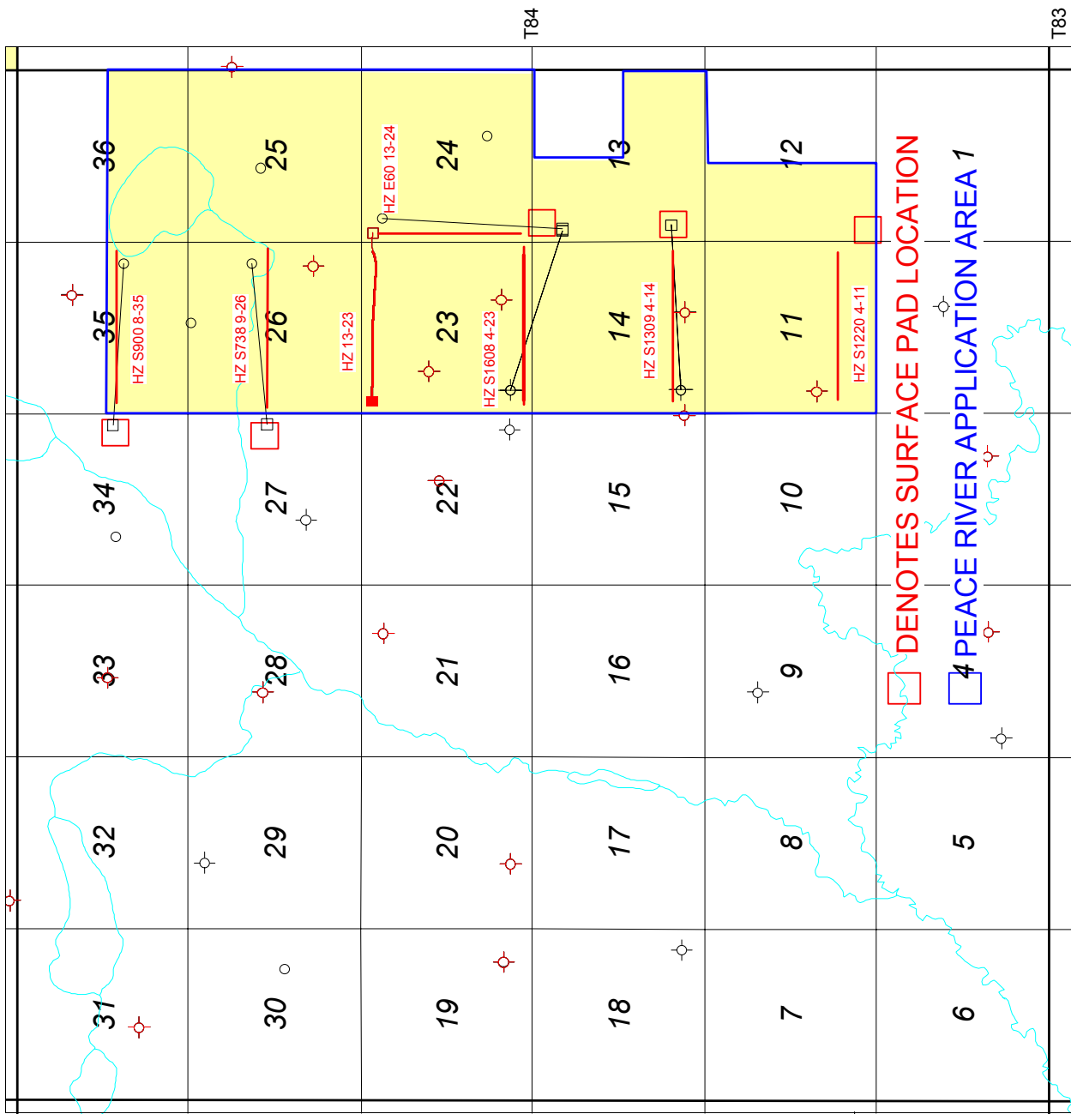
BLACKROCK

NORTHERN/CADOTTE LOCATION MAP



 geologic systems llc (403) 283-1982 www.geologic.com	By: PF	Date: 2005/02/28
	Scale = 1:70000	Project: seal regional p

APPROVAL# 9312A
NORTHERN / CADOTTE BLOCK
DEVELOPMENT ACTIVITY

- Section 24-084-15W5M horizontal test well continues to produce at 14 - 16 m³/day of oil. Fair weather access
- Received EUB approval to test five (5) additional horizontal wells. Expect to drill and test three (3) of the five (5) prior to April 2005
- Currently drilling vertical delineation wells that will also be incorporated into geological interpretation
- A primary recovery downspacing application for this area to be submitted in 2005 based on this exploration activity



R17W5

 BLACKROCK		By : PF		Date : 2005/02/28
PEACE RIVER LOCATION MAP		Scale = 1:55000		Project : seal regional
		geoLOGIC systems Ltd. 4603 265 1195 www.geologic.com		

APPROVAL# 9312A
PEACE RIVER BLOCK DEVELOPMENT
ACTIVITY

- Section 23-084-17W5M horizontal test well continues to produce at 35 – 40 m³/day of oil
- Winter access only
- Received EUB approval to test six (6) additional horizontal wells. Expect to drill and test five (5) of the six (6) prior to April 2005
- Currently drilling vertical delineation wells that will also be incorporated into geological interpretation

REGULATORY COMPLIANCE

- BlackRock hereby confirms that it is in compliance with the conditions for the following approvals and licenses associated with the Seal Lake Project:
 - Primary Recovery Approvals #8972B, 9727 and 9312A
 - Heavy Oil Treating Facility / Oil Battery License # F-29279
 - Class II Water Disposal Scheme – Approval #10146
- In addition to these approvals, BlackRock's wells, facilities and pipelines have been licensed, constructed, drilled, commissioned and operating as per EUB regulations
- BlackRock is currently working with the EUB Resource group to have it's existing heavy oil battery recognized under our EUB Primary Recovery Approval 8972B

SEAL LAKE NUMERICAL REVIEW

RESULTS SUMMARY - BRIEF

- INITIAL RUNS DOCUMENTED IN APRIL 2004 AND SUBMITTED TO AEUB
- ADJUSTED DATA FROM LAB RESULTS SHOW MUCH HIGHER EXTRAPOLATED PRIMARY RECOVERY ON EXTENDED RUNS (25%+ VS 16%) BASE RUNS ASSUME ABILITY TO PUMP FOAM TO THE LOWER RESERVOIR PRESSURE MINIMUM(1800 KPA)
- INCREMENTAL RECOVERY UNDER PRESSURE MAINTENANCE 3 TO 5%
- INCREMENTAL RECOVERY UNDER CYCLIC UP TO 5% BEYOND EXTENDED PRIMARY - STEAM FRACTURING NOT INC. IN RUNS
- SAGD IN 12.0 METER ZONES REC. ABOVE 40%, WITH INCREMENTAL SOR IN 5.0 TO 6.0 RANGE

PRIMARY RECOVERY - FOAMY OIL LAB STUDIES

- Hycal study conducted in last half of 2003, using live oil samples captured from central area (5-26 well)
- Study investigates foaming tendencies with live bitumen, with particular attention to thermodynamic and pseudo bubble point determination
- Foamy oil PVT properties defined by two depletion tests on equivalent samples on the basis of 7 day and 24 hour total depletion times
- Foaming tendencies moderate to significant in these limits with true bubble point at ~ 3200 kpa, pseudo point ~ 2800 kpa ($P_i \sim 5100$ kpa) - oil continues to foam at very low pressures (below 2000 kpa) - foam is stable to low pressures showing coalescence only under shear (re-press)
- High CO_2 in solution gas appears to play a significant role

STEAM COMPATIBILITY TESTS

- Study performed on clean core samples from Bluesky (Central block) by Core Labs mid 2003
- Compatibility between rock-steam condensates, and live steam focussed on effects to rock behavior alone
- Permeability reductions of 10 to 25% noted on specific samples following steam soak alone (40 days) additional reductions of this magnitude noted after steamflood in three selected samples - very low steam permeability values noted in tests
- Porosity increases of 1.0% to 1.5% generally, indicating some mineral dissolution effects
- Rock is reasonably compatible with steam and steam condensate, and did not show significant degradation
- Comparisons to Shell Data being pursued

THERMAL RECOVERY LAB STUDY (HYCAL) STACKED NATIVE CORE / FLUIDS-RESULTS

- Evaluation of primary depletion (to 1400 kpa), and res. temp H2O displacement at 3300 kpa max – Procured actual lab data to note foamy oil behavior and associated H2O displacement effects in actual reservoir rock - rec. increments near 3% for both 23C and 90C floods
- Step up temp. to 100, 150, 200, and 220 deg C, steps to note recovery and endpoints needed to determine if elevated temperature waterflood in conjunction with steam process will be of benefit
- Steamflood recovery at 3300 kpa, showing typical bitumen recovery with non-typical endpoints

THERMAL RECOVERY REVIEW SUMMARY

- BlackRock has developed datasets to evaluate thermal behavior for three options (SAGD, STGD, HWCSS) for three alternate typed thicknesses (5.0, 8.0 and 12.0 m) in the Bluesky
- Data analogs include Tangleflags and Cactus for initial set of runs(April 30/2004)
- Thermal PVT from actual Seal bitumen analysis
- SAGD runs for 12.0 m zones run to evaluate estimated minimum thickness case
- HWCSS 5 to 10 cycles - approx. 300 kpa min flowback pressure
- All runs were performed at initial pressure and 1800 kpa depletion pressure

YR 2005 - ACTIVITIES

- Drill and complete 26+ wells in Eastern Block – Approval # 9727. Target production rates of 1000 m³/day
- Construct necessary transport and treating infrastructure for Eastern Block – Approval #9727 production
- Review of Shell Peace River thermal recovery performance data
- Northern Block – Primary Recovery Application to be submitted to EUB for late 2005
- Peace River Block – continue to assess optimal primary and possible secondary recovery techniques for development application
- Open discussion