



# BNP Jensen Oil Battery Development Project

Feb 3, 2012

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# BNP Management & Directors

**Gregory Bilcox, PGeol**

 President & CEO, Director BNP Resources Inc.

**James E. Doody P.Eng**

 Director BNP Resources Inc.

**John Brown**

 Director BNP Resources Inc.

**Toby Shultz, LLB**

 Corporate Secretary & Interim CFO

# Jensen Project Team

**Gregory Bilcox, P.Geol.**  
*President & CEO*

- 32 years of wide ranging experience in the Canadian oil and gas industry including management, operations, exploration, exploitation and development roles.
- Previously area geologist with Canadian Natural Resources Limited (“CNRL”), responsible for exploration and development of a South Central Alberta area and 10,000 boe/d of production.
- Prior thereto, President and a director of Adobe Resources Ltd. and geologist with Westcoast Petroleum Ltd., Dome Petroleum Ltd. and Hudson’s Bay Oil Gas Company Ltd.

**James E. Doody, P. Eng.**  
*Director*

- 27 years industry experience including Kuwaiti oil / water separation, effluent water treatment and disposal project experience.

# BNP Jensen Oil Pool History

1. Jensen field discovered in 2007. Four wells drilled.
2. Wet crude similar to Reagan Pool (south of Canadian border near Cutbank, Montana).
3. 2011 well testing – production engineer hired to review production results and carry out log analysis.
4. Previous production was based on a completed upper zone. Best porosity is based in the lower Madison zone (lower zone was perfered by Privco).
5. Estimate that production will yield a 10% - 20% oil cut using water separation equipment and a disposal well. The disposal well is the key to efficient production economics.

# Reagan Oil Pool History

1. Reagan field discovered in 1947 by Union Oil, near Cutbank, Montana, just south of the Canadian border.
2. Wet crude (light oil) with water and gas drive.
3. 1948 production averaged 583 barrels of oil per day, 1990 – 300 barrels of oil per day and 2011 160 barrels of oil per day.
4. Reagan field has produced over 10 million barrels of oil since discovery in 1947.
5. Very slow decline rate over 64 years of production.
6. Production is processed using a free water knockout (FWKO) drum, parallel heater / treaters and a disposal well.
7. The Jensen pool has many similarities with the Reagan pool.

# Bakken Area Play Near Jensen

1. Crescent Point Energy controls 1 million acres (1562 sections), has allocated a 2012 drilling budget for their Bakken lands and has licensed a well NE of Jensen.
2. Shell Canada is drilling near Del Bonita (near Canada – USA border).
3. Murphy Oil is drilling south and west of Jensen.
4. Seismic contractors are active in the Del Bonita area this winter.
5. Area of Bakken interest is between Cardston, Del Bonita and Milk River.

# Jensen Development

1. Approximately \$6 million (\$0.10 per share) has been spent at Jensen since 2007. This includes \$300,000 for roads.
2. Four Madison wells have been drilled including a Bakken test at 5-4 (Precambrian depth).
3. There are approximately 5 additional Madison drilling locations (at quarter section spacing).
4. BNP has 4 Bakken drilling locations (based on quarter section spacing).
5. Well logs exist for the 5-4 Bakken test but have not yet been analysed. Wellsite geologist has advised that oil shows were encountered during drilling.
6. Bakken wells cost \$4-5 million to drill and complete. Production is estimated at 200 – 250 barrels of oil per day. This works out to \$25,000 per flowing BOE/day.
7. Area is under explored.

# Project Scope

## Timeline

To design and construct the Jensen Oil Battery within 18 months (or as funds permit). Initial production estimated at 50 - 100 barrels per day of light oil per well.

## Scope of Work

- Extend three phase power line from Highway 62 to the 5-4 wellsite (18 – 20 km). Power is required to run the plants. Industry competitors are drilling near Jensen and may be candidates to share the infrastructure costs.
- Supply and install 1 – Free water knockout drum (FWKO), 2 – Heater / Treaters and associated tanks suitable for 1,500 barrels of fluid per day.
- Supply and install 1 – Effluent water treatment plant and associated tanks suitable for processing 1,500 barrels per day of fluid. This allows recovery of residual oil in the water prior to disposal.
- Purchase 1 – 200 barrel water hauling truck for the transfer of water between the treatment plant and disposal well tanks.
- Install electrical building, office and water lab.
- Supply and install high flow well pumps.

# Production

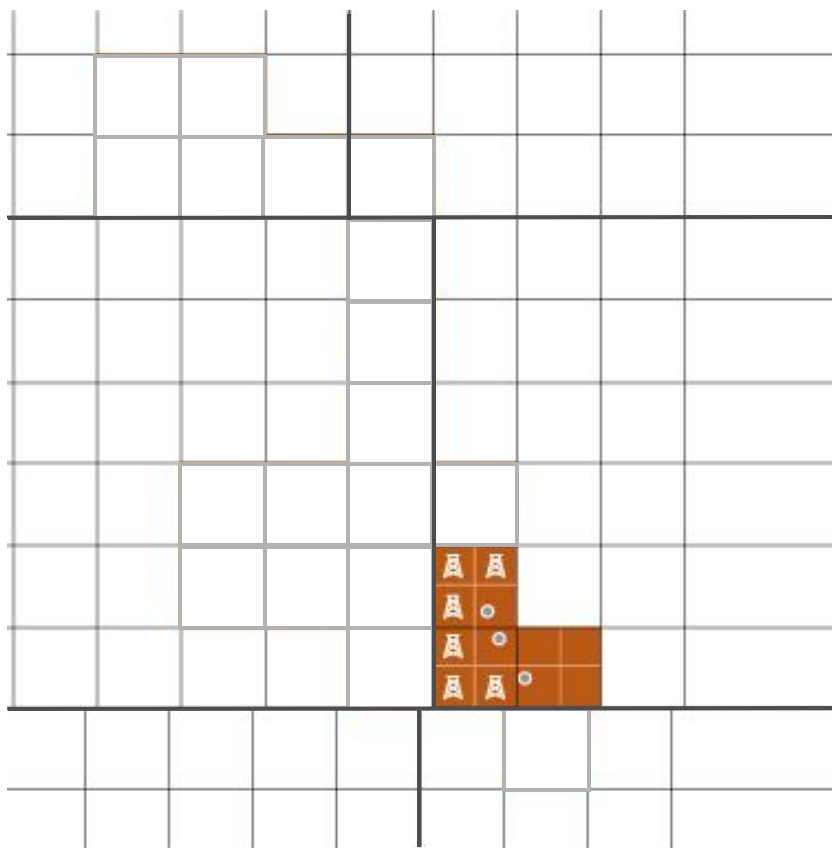


- Potential for each well to produce 500 barrels per day of oil water emulsion with 10%-20% oil cut (50-100 barrels per day oil), using high capacity pumps. Tanks, effluent water treatment and disposal facilities will be designed for this fluid volume.
- Phase I production estimated at 150-300 barrels per day of oil (1500 barrels of emulsion per day).
- Four wells have been drilled. Initially well 5-4 will be put into production and tested. The remaining two wells will then be completed and put into production. One well will be used for disposal. Anticipate initial production from three wells.
- Light oil discovery with an estimated 10-20 million barrels of OOIP (original oil in place). This is an internal estimate only and is not supported by an engineering reserve report.
- Recovery factor estimated at 8% (800,000 – 1.6 million recoverable barrels).
- Oil is \$90 - \$100 per barrel. Estimated payout for Phase I development costs is 1-2 years.
- Decline rates estimated at 5% per year.
- Facilities are a 45 minute drive SW of Lethbridge, allowing access to skilled trades.

# Core Areas of Operation



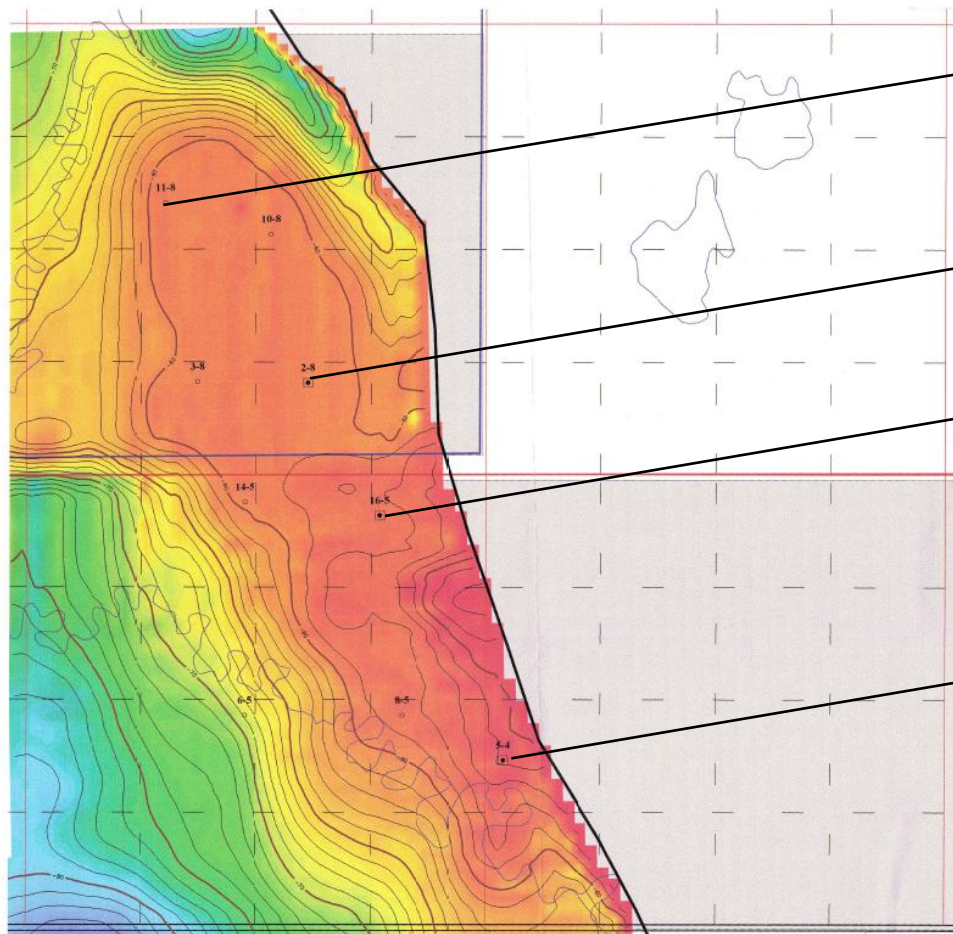
# Southern Alberta



## 2011 Activity to date

- Murphy Oil is drilling south and west of our Jensen site with a Bakken target.
- Industry activity includes Shell, Crescent Point, Murphy Oil and DeeThree. Smaller companies drilling in the area include Gryphon, Connaught and Petrospirit.
- Area is underexplored and generally lacking in infrastructure.

# Jensen Light Oil Discovery



**11-8-3-20 W4M** To be completed and tested possible water disposal well candidate.

**2-8-3-20 W4M** Tied to 16-5 (Central battery).

**Discovery well 16-5-3-20 W4M** (September 2007) perferd additional porosity as a result of “Privco” farmout deal.


**5-4-3-20 W4M** Completed and acidized the 30m Madison pay section as a result of the “Privco” farmout deal.

Interpretation March 16, 2008

# 2012 Summary and Conclusions

- Light oil project with production growth profile.
- Development project carries lower risk than a pure exploration play.
- Project pays out in 1-2 years.

# Financial Overview

<b>Ticker (Exchange)</b>	 <b>BNX.A (TSX-V)</b>
<b>Outstanding Shares (16 Jan 2012)</b>	 <b>54,752,654 Class A shares</b>
<b>Major Shareholder – James Doody Director (31-12-11)</b>	 <b>18,062,233 (33%) of Class A shares</b>
<b>A shares 52-week trading range (as of 31-12-11)</b>	 <b>\$0.04 - \$0.13</b>
<b>Cash (31-12-11)</b>	 <b>\$NIL</b>
<b>Bank Debt (31-12-11)</b>	 <b>\$NIL</b>
<b>Tax Pools</b>	 <b>Approximately \$10 Million</b>



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