



CORPORATE GOVERNANCE POLICIES AND PRACTICES

**Adopted by the Board of Directors
of BNK Petroleum Inc. on April 24, 2009**

INTRODUCTION

BNK Petroleum Inc. (the "Corporation") strongly believes that good corporate governance is critical to its long-term success and the protection of the interests of its stakeholders. The corporate governance policies and practices contained herein are consistent with the Corporation's vision of being one of the most professional oil and gas exploration and development companies in the world.

The adoption of the corporate governance policies and practices contained herein repeal and replace all previously adopted terms of references and mandates of the Board and its various committees and the Corporation's framework of specific policies and operating codes.

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CORPORATE DISCLOSURE POLICY

BNK Petroleum Inc. (the "Corporation") is committed to providing appropriate and timely, accurate and balanced disclosure of material information about the Corporation, consistent with statutory and regulatory requirements.

This Corporate Disclosure Policy (the "Policy") confirms in writing the existing disclosure policies and practices of the Corporation. The goal of this Policy is to promote appropriate and consistent disclosure practices aimed at accurate, informative, timely and broadly disseminated disclosure of material information to the market and to raise awareness of the Corporation's approach to disclosure and promote compliance among the board of directors (the "Board"), officers, employees and consultants of the Corporation. As such, this Policy applies to the Board, officers, employees and consultants of the Corporation together with any person who may be authorized to speak on behalf of the Corporation and, to the extent possible, others who have access to non-public material information regarding the Corporation.

The Policy covers written disclosure in documents filed with the securities commissions and stock exchanges, written statements made in the Corporation's annual and quarterly reports, news releases, letters to shareholders and other documents released to the public, the content of which would reasonably be expected to affect the market price or value of the Corporation's securities or a reasonable investor's investment decisions, including information contained on the Corporation's website and other electronic communications. The Policy also extends to public oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media, press conferences, conference calls and in other circumstances in which it is reasonable to expect that the information will become generally disclosed.

Disclosure Committee

The Board has established a Disclosure Committee (the "Committee") to be composed of individuals to be determined by the Chief Executive Officer (the "CEO").

The Committee will be governed by its terms of reference and will, among other things, determine when developments require public disclosure and will meet as conditions dictate. As the Corporation, its directors and officers can be liable for failure to make timely disclosure of material information as required by applicable laws or for misrepresentations contained in written or oral disclosure made by the Corporation, it is essential that the Committee be fully apprised of all material developments in order to evaluate and discuss those events to determine the appropriateness and timing for public release of information or whether the information should remain confidential and, if so, how that material information will be controlled so as to ensure its confidentiality. All employees or consultants of the Corporation are required to alert any member of the Committee if they become aware of any development that might be material or of any misrepresentation contained in any of the Corporation's disclosure.

Among other things, the Committee is responsible for developing and implementing this Policy and establishing procedures for the review and release of written and oral disclosure of the Corporation.

The Committee may designate one or more senior officers or employees of the Corporation to be responsible for all or any of these matters. The Committee will review this Policy on an annual basis to ensure the effectiveness of the Policy and its compliance with changing regulatory requirements. The Disclosure Committee will report to the Board as the need arises with respect to the review procedures established and the effectiveness and compliance with this Policy and will disclose to the Board, as applicable, any dissent which occurred among the Committee on any disclosure matter.

Designated Spokespersons

The CEO shall be responsible for communication with the media, investors and analysts. The CEO shall be the official spokesperson for the Corporation. The CEO may, from time to time, designate others within the Corporation to speak on behalf of the Corporation in his place, or to respond to specific inquiries from the investment community or the media. The CEO may consult with the Corporation's legal counsel, or such other experts or consultants as he considers necessary in connection with this Policy.

Persons who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community or the media, and are prohibited from otherwise publicly communicating information about the Corporation unless specifically asked to do so by an authorized spokesperson. All such inquiries shall be referred to the CEO.

Although the CEO is responsible for communication with the media, investors and analysts on behalf of the Corporation, the Committee members will review all written and oral public disclosure of the Corporation prior to its release and, in addition, the Board and/or certain of the committees of the Board will review certain public disclosure of the Corporation prior to its release. Therefore, prior to the release of any such information, the CEO shall ensure that the Committee and, as applicable, the Board and/or the appropriate committee of the Board has reviewed and approved of such information being released.

Responsibility for Electronic Communications

The Committee shall be responsible for electronic communications. The Committee is responsible for monitoring all material information placed on the Corporation's website to ensure that it is not misleading. Material information is misleading if it is incomplete, incorrect or omits a fact so as to make another statement misleading. Information may also be misleading if it is out of date. Any changes in material information posted on the Corporation's website must be updated promptly.

The Corporation's website should include all publicly disclosed material information and such other investor relations information as may be determined appropriate by the Committee; provided that no document relating to an offering of securities shall be posted on such website without first consulting the Corporation's legal counsel. Information should be posted to the Corporation's website as soon as possible following its dissemination. All data posted to the website, including text and audio-visual material, shall show the date that such material was posted.

Disclosure on the website alone does not constitute adequate disclosure of material information. Therefore, any disclosure of material information on the website will be preceded by a widely disseminated news release and, if appropriate, a securities regulatory filing.

The CEO shall be responsible for responses to electronic inquiries from the investment community, security holders or the media. Only public information or information which could otherwise be disclosed in accordance with this Policy shall be utilized in responding to electronic inquiries.

Directors, officers, employees and consultants are prohibited from participating in internet chat room or news group discussions on matters pertaining to the Corporation's activities or its securities.

Material Information

For the purposes of this Policy, "material information" means any information relating to the business and affairs of the Corporation that results in, or would reasonably be expected to result in, a significant change

in the market price or value of the Corporation's listed securities or affect a reasonable investor's investment decisions. Material information consists of both material facts and material changes relating to the Corporation's business and affairs and includes developments in the Corporation's business and affairs. Examples of some developments that may give rise to material information are as follows:

- a significant acquisition, disposition or merger;
- a new issue of securities or a significant change in capital structure;
- a significant change in financing arrangements;
- a significant change in expected earnings in the near future, such as in the next fiscal quarter;
- significant operational events or incidents;
- changes in share ownership that may affect control of the Corporation; or
- significant changes in the management or Board.

Announcements of an intention to proceed with a transaction or activity should not be made unless the Corporation has the ability to carry out the intent (although proceeding may be subject to contingencies) and a decision has been made to proceed with the transaction or activity by the Board or by the Corporation's senior management with the expectation of concurrence from the Board.

Principles of Disclosure of Material Information

In complying with the requirement under applicable laws and stock exchange rules to disclose material information forthwith upon the information becoming known to management or, in the case of information previously known, forthwith upon it becoming apparent that the information is material, the following basic disclosure rules will be observed:

1. The determination of whether information is considered as material information will be made by the Committee. Material information will be publicly disclosed immediately, unless it is determined by the Committee that such disclosure would be detrimental to the interests of the Corporation. Some examples of instances in which disclosure might be detrimental to the Corporation's interests are:
 - (a) release of the information would prejudice the ability of the Corporation to pursue specific or limited objectives or to complete a transaction or series of transactions that are under way;
 - (b) disclosure of the information would provide competitors with confidential information that would be of significant benefit to them; or
 - (c) disclosure of information regarding the status of ongoing negotiations would prejudice the successful completion of those negotiations.

If it is determined that the disclosure of material information will be delayed because such disclosure would be detrimental to the interests of the Corporation, complete confidentiality of the material information must be maintained. See "Maintaining Confidentiality" below.

2. Announcements of material information should be factual and balanced. Unfavourable material information must be disclosed as promptly and completely as favourable material information.
3. Disclosure must include all relevant information to ensure that no aspect of the disclosure is misleading.
4. Previously undisclosed material information must not be disclosed selectively. If such information has been inadvertently disclosed to an analyst or any other person, it must be generally disclosed promptly by news release.
5. Disclosure must be updated or corrected if earlier disclosure has become misleading as a result of intervening events or if it contained a material error or misrepresentation.

Insider Trading

Securities laws prohibit insider trading and tipping. Insider trading occurs when a director, officer, employee or consultant of the Corporation or other person in a special relationship with the Corporation trades in securities of the Corporation or other affected securities while possessing material, non-public information. Tipping is when a director, officer, employee or consultant of the Corporation or other person in a special relationship with the Corporation passes on material, non-public information ("tips") to someone else, who then uses the information to trade in securities.

It is a policy of the Corporation that, in the event that the Corporation enters into a transaction with another entity, the directors and officers of the Corporation shall disclose their aggregate ownership interest in such other entity.

Refer to the Policy on Trading in Securities by Directors, Officers, Employees and Consultants for further information on trading restrictions, trading windows and blackout periods.

News Releases

Once the Committee determines that material information exists, it will authorize the issuance of a news release, unless such material information must remain confidential for a certain time. See "Maintaining Confidentiality" below. Should non-public material information inadvertently be disclosed in a selective forum, a news release will be issued promptly in order to fully publicly disclose that information.

News releases will be disseminated through a news wire service that provides national simultaneous disclosure. News releases will be transmitted to all stock exchange members, relevant regulatory bodies, major national financial media and local media in areas where headquarters of the Corporation are located.

The Corporation is required to comply with the requirements of the Toronto Stock Exchange (the "Exchange"). Regardless of when an announcement involving material information is released, the market surveillance department ("market surveillance") of the Exchange must be advised of the content of the release and supplied with a copy in advance of its release. If the Exchange is open for trading at the time of a proposed announcement, prior notice by telephone will be provided to the market surveillance department of the Exchange, advising of the content of the news release and of the proposed method of dissemination, with a copy of the release to follow electronically or by fax. If the announcement is issued outside of normal trading hours, market surveillance will be notified where practicable before the market opens on the next trading day, with a copy of the release to follow electronically or by fax.

News releases will be posted on the Corporation's website after confirmation of dissemination of such news release over the news wire. The website will include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosure.

Rumours

The Corporation adopts a "no comment" policy with respect to market rumours and, in that regard, authorized spokespersons for the Corporation shall respond to market rumours with a statement to the effect that "It is our policy not to comment on market rumours or speculation." The Corporation will not respond to rumours on the internet. Should the Exchange request a definitive statement be issued in response to a market rumour that is causing volatility in the market value of the securities of the Corporation, the Committee will consider the matter and decide on an appropriate response.

Forward-Looking Information

Forward-looking information means all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes future oriented financial information with respect to prospective results of operations, financial position or cash flows that is presented as either a forecast or a projection. The Corporation may, if the Committee determines it to be advisable, provide guidance and forward-looking information with respect to the Corporation's production, revenue, earnings, EBITDA (earnings before income taxes, interest, depreciation and amortization plus other applicable items), cash flow, expenses and other financial information as well as significant developments and future plans to enable the investment community to better evaluate the Corporation and its prospects.

Forward-looking information provided in a disclosure document must contain, proximate to that information: (a) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and (b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information. In the case of a public oral forward-looking statement, the person making such statement shall: (a) make a cautionary statement that the oral statement contains forward-looking information; and (b) state that (i) actual results could differ materially from a conclusion, forecast or projection in the forward-looking information, (ii) certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information; and (iii) additional information about the material factors that could cause actual results to differ materially from the conclusion, forecast or projection as reflected in the forward-looking information and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information is contained in a readily available document that is identified.

Contacts with Analysts, Investors and the Media

The Corporation recognizes that analysts are important for disseminating corporate information to the investing public and play a key role in interpreting and clarifying existing public data, as well as providing investors with background information and details that cannot practically be put in public documents. Authorized representatives of the Corporation will meet with analysts and investors on an individual or small group basis as needed, and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Policy. The Corporation will provide only non-material information or publicly disclosed information to such analysts or investors and

will provide the same information that has been provided to analysts to individual investors who request it.

It is recognized that disclosure of non-public material information to analysts, investors or the media does not constitute adequate disclosure for the purposes of applicable securities laws. If material information is to be announced at an analyst or shareholder meeting, press conference or conference call, its announcement must be preceded by a widely disseminated public announcement of such information via news release.

Reviewing Analyst's Draft Reports and Models

It is the Corporation's policy to review, upon request, analysts' draft research reports or models. If requested, the Corporation will review the report or model for the purpose of identifying publicly disclosed factual information that may affect the report or model or pointing out inaccuracies or omissions with reference to publicly available information about the Corporation. The Corporation will not confirm, provide guidance or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's model and earnings estimates, including but not limited to, by confirming the analyst's estimate is "on target", "too high" or "too low".

Analyst reports are proprietary information belonging to the analyst's firm which will not be posted on or linked to the Corporation's website. A list of analysts covering the Corporation, and their contact numbers, may be posted on the Corporation's website and provided to anyone requesting such information.

Conference Calls

Conference calls may be held with members of the investment community to discuss financial and operating results or other significant developments following the widespread dissemination of the news release announcing such results or developments. The date and time of the call, the subject matter of the call and the means for accessing it shall be included in a news release (such news release to be disseminated in advance of the news release announcing the financial and operating results to be discussed) and may be announced on the Corporation's website. Conference calls shall be held in an open manner allowing members of the investment community and any other interested party to listen either by telephone and/or through a webcast. During the call, a spokesperson of the Corporation will provide appropriate cautionary language regarding any forward-looking information and direct participants to publicly available documents containing the assumptions, risks and uncertainties. A tape recording of the conference call will be made available for a period of one month following the call on either a toll-free number or an archived audio webcast on the internet.

Conference calls relating to the business developments of the Corporation and other material information likely to affect the Corporation's share price should, where possible, be scheduled outside trading hours, to avoid or minimize the risk of selective disclosure. To the extent it is determined reasonable by the Committee, non-material supplemental information will be posted on the website.

Retention Period for Disclosure Material

A file will be maintained containing all continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls and where practicable, other public oral statements, debriefing notes and newspaper articles.

The minimum retention period for material corporate information posted on the website shall be one year. However, news releases, quarterly and annual reports and other material filed with securities commissions and stock exchanges shall be kept for a period of five years.

Maintaining Confidentiality

At any time when material information has not been disclosed, the Corporation is under a duty to take precautions to keep such information confidential. Efforts will be made to limit access to such confidential information to only those who need to know the information to perform their duties, and such persons will be advised that the information is to be kept confidential.

Material information should not be disclosed by directors, officers, employees or consultants to outside parties except in the necessary course of business. Outside parties privy to undisclosed material information concerning the Corporation will be told they must not divulge such information to anyone else, other than in the necessary course of business, and that they may not trade in securities of the Corporation until the information has been generally disclosed. The Corporation may, if deemed appropriate, require such outside parties to enter into a confidentiality agreement.

In order to prevent the misuse or inadvertent disclosure of material information, the procedures set forth below should be observed at all times:

1. Confidential matters should not be discussed in places where the discussion may be overheard.
2. Confidential documents should not be read in public places and should not be discarded where others can retrieve them.
3. Transmission of documents by electronic means should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
4. Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
5. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who "need to know" in the necessary course of business. Code names should be used if necessary.
6. All proprietary information, including computer programs and other records, remain the property of the Corporation and may not be removed, disclosed, copied or otherwise used except in the normal course of employment or with prior permission.

Communication and Enforcement

All directors, officers, employees and consultants of the Corporation will be advised of this Policy and its importance. This Policy will be brought to the attention of all employees and consultants on an annual basis.

An employee or consultant who violates this Policy may face disciplinary action up to and including termination of employment or the consulting contract, as the case may be, with the Corporation.

Violation of this Policy may also cause violation of certain securities laws. If it is discovered that securities laws have been violated, this matter may be referred to the appropriate regulatory authorities.

Approval

This Policy has been approved by the Board.

POLICY ON TRADING IN SECURITIES BY DIRECTORS, OFFICERS, EMPLOYEES AND CONSULTANTS

The purpose of this Policy on Trading in Securities by Directors, Officers, Employees and Consultants (the "Policy") is to ensure (a) compliance with applicable securities laws governing trading in securities of BNK Petroleum Inc. (the "Corporation") while in possession of material non-public information concerning the Corporation, and tipping or disclosing material non-public information to outsiders; and (b) avoidance of embarrassment by preventing the appearance of improper trading or tipping.

In conjunction with regulatory requirements, it is the policy of the Corporation that, once a person becomes an insider, his or her security holdings in the Corporation, and any change therein, must be reported to the appropriate securities commissions. The responsibility for compliance with insider reporting obligations rests with the insiders and not with the Corporation. However, the Corporation has an interest in monitoring the holdings of its insiders and ensuring that insider holdings are accurately reported, as the identity of insiders and the size of their holdings may be relevant in determining whether the Corporation is permitted, under applicable securities laws and stock exchange rules, to undertake certain corporate transactions.

Scope

1. This Policy covers all directors, officers, employees and consultants of the Corporation, except the sections entitled "Insiders" and "Reporting by Insiders" which apply only to insiders of the Corporation. Directors, officers, employees and consultants are responsible for ensuring compliance by their families and other members of their households.
2. This Policy applies to any transactions in any securities of the Corporation, including options, warrants, preferred shares and debentures, as well as exchange-traded options or other derivative securities that are not issued by the Corporation but are based on securities of the Corporation.
3. This Policy applies not only to the securities of the Corporation which a director, officer, employee or consultant owns, but also those over which control or direction is exercised (for example as a trustee or executor of an estate) and also to the securities of the Corporation that are indirectly owned (for example by a corporation controlled by a director, officer, employee or consultant).
4. These procedures may be changed or other procedures adopted in the future as considered appropriate in order to carry out the purposes of this Policy.

Insiders

The directors and officers of the Corporation are considered to be insiders of the Corporation and as such are subject to a higher standard of scrutiny and disclosure requirements than other people who may trade in securities of the Corporation. Insiders should contact the Chairman of the Board (the "Chairman"), the Chief Executive Officer (the "CEO") or the Chief Financial Officer when considering a transaction in securities of the Corporation to ensure that there is no material non-public information which has not been widely disseminated.

Reporting by Insiders

Initial Reports

An initial report must be filed within ten days of the date on which a person or corporation becomes an insider. An initial report is not required, however, when a person becomes an insider if he or she has no direct or indirect beneficial ownership, control or direction over securities of the Corporation.

Changes in Beneficial Ownership

A person or corporation who is an insider must report any changes in his or her direct or indirect beneficial ownership of, or control over, securities of the Corporation within ten days of the date such change takes place.

Stock Options, Warrants and Performance Shares

Insiders are reminded that the grant of an option, or the exercise of an option, warrant or performance share gives rise to reporting obligations and an insider report must be filed with respect to these matters within ten days of the date such transaction takes place.

Filing

Insiders of the Corporation are required to use the System for Electronic Disclosure by Insiders ("SEDI") for reporting insider trades. Reporting through SEDI can be completed by insiders themselves through the internet or through an agent, such as the Corporation's legal counsel, Macleod Dixon LLP. Insiders are referred to the internet website for SEDI at www.sedi.ca. As well, insiders are encouraged to contact the Corporation's legal counsel, Macleod Dixon LLP, with respect to any questions about filing through the SEDI system.

Definition of "Material Non-Public Information"

Material Information

For the purposes of this Policy, "material information" means any information relating to the business and affairs of the Corporation that results in, or would reasonably be expected to result in, a significant change in the market price or value of the Corporation's listed securities or affect a reasonable investor's investment decisions. Material information consists of both material facts and material changes relating to the Corporation's business and affairs and includes developments in the Corporation's business and affairs. Examples of some developments that may give rise to material information are as follows:

- a significant acquisition, disposition or merger;
- a new issue of securities or a significant change in capital structure;
- a significant change in financing arrangements;
- a significant change in expected earnings in the near future, such as in the next fiscal quarter;
- significant operational events or incidents;
- changes in share ownership that may affect control of the Corporation; or

- significant changes in the management or Board of Directors (the "Board") of the Corporation.

Non-public Information

Material information is "non-public" if it has not been widely disseminated to the public through a major newswire service. For the purposes of this Policy, information will be considered public; i.e., no longer non-public, after the close of trading on the [**first**] full trading day following public release of the information.

If you are unsure whether the information that you possess is material or non-public, please consult the Chairman, the CEO or the Chief Financial Officer of the Corporation before trading in any securities of the Corporation.

Statement of Corporate Policies and Procedures

Prohibited Activities

- No insider, employee or consultant may trade in securities of the Corporation while in possession of material non-public information concerning the Corporation.
- No insider, employee or consultant may trade in securities of the Corporation outside of the "trading windows" described below, or during any "blackout periods".
- No insider, employee or consultant may disclose material non-public information concerning the Corporation to any outside person (including family members, analysts, individual investors and members of the investment community and news media) unless necessary in the course of business. In any instance where such information is disclosed to outsiders, the outsider should be advised that they must not disclose the information to anyone else, other than in the necessary course of business, and they may not trade in securities of the Corporation until the information has been generally disclosed.
- No insider, employee or consultant may give trading advice of any kind about the Corporation to anyone while possessing material non-public information about the Corporation, except that insiders, employees and consultants should advise others not to trade if doing so might violate the law or this Policy.
- No insider, employee or consultant may (a) trade in securities of any other public company while possessing material non-public information concerning that company; (b) "tip" or disclose material non-public information concerning any other public company to anyone; or (c) give trading advice of any kind to anyone concerning any other public company while possessing material non-public information about that company that such insider, employee or consultant learned in the course of their service to the Corporation.
- In order to avoid possible inadvertent conflict with this Policy, it is recommended that, outside of any stock option or employee share ownership plans, no insider, employee or consultant leave with a broker any outstanding sell or purchase orders.

Definition of "Blackout Period" and "Trading Window"

A "blackout period" is any time where an insider, employee or consultant is restricted by the terms of this Policy or applicable securities law from trading in securities of the Corporation. Alternatively, a "trading

window" is the period of time between blackout periods where an insider, employee or consultant is not restricted by the terms of this Policy or applicable securities law from trading in securities of the Corporation.

Designation of Blackout Periods

The Corporation will use reasonable efforts to notify insiders, employees and consultants by e-mail when a general blackout period is in effect. However, it is the obligation of every insider, employee and consultant to ensure, prior to affecting a trade, that a blackout period is not in effect or such person is not otherwise restricted from trading in securities of the Corporation. In the event that an insider, employee or consultant is unsure whether they may trade in securities of the Corporation, they should contact the Chairman, the CEO or the Chief Financial Officer of the Corporation to determine if a general blackout period is in effect or if the insider, employee or consultant is in possession of material undisclosed information.

Trading Windows

Insiders, employees and consultants may trade in securities of the Corporation only during the period in which there is no blackout period.

No Trading During Trading Windows While in Possession of Material Non-public Information

No insider, employee or consultant possessing material non-public information concerning the Corporation may trade in securities of the Corporation even during applicable trading windows. Persons possessing such information may trade during a trading window only after the widespread dissemination of the news release in respect of such information.

No Trading During Blackout Periods

No insider, employee or consultant may trade in securities of the Corporation outside of applicable trading windows or during any designated special blackout periods. No insider, employee or consultant may disclose to any outside third party that a special blackout period has been designated.

Priority of Statutory or Regulatory Trading Restrictions

The trading prohibitions and restrictions set forth in this Policy are in addition to, and will be superseded by any greater prohibition or restrictions prescribed by applicable securities laws and regulations and stock exchange rules and policies.

Compliance Officer

The Chairman, CEO or Chief Financial Officer shall be responsible for responding to questions from directors, officers, employees and consultants and assisting such persons in complying with the terms of this Policy and applicable securities laws.

Enforcement

Penalties Under Securities Laws

The consequences of prohibited insider trading or tipping can be severe. Generally, under securities laws, persons violating insider trading or tipping rules may be required to disgorge the profit made or the loss

avoided by trading, pay the loss suffered by the persons who purchased securities from or sold securities to the insider tippee, pay fines up to the greater of \$1,000,000 and three times the profit made or loss avoided, pay administrative penalties of up to \$500,000 and serve a jail term of up to five years less a day. The Corporation may also be required to pay penalties and could, under certain circumstances, be subject to private lawsuits by traders for damages suffered as a result of illegal insider trading or tipping by persons under the Corporation's control.

Discipline

Violation of this Policy or insider or tipping laws by any insider or employee may subject such person to disciplinary action up to and including termination for cause.

If it is discovered that anyone subject to these policies has violated securities laws, the matter may be referred to the appropriate regulatory authorities.

Approval

This Policy has been approved by the Board.

BOARD OF DIRECTORS TERMS OF REFERENCE

The Board of Directors (the "Board") of BNK Petroleum Inc. (the "Corporation") shall have the oversight responsibility, authority and specific duties as described below.

Composition

Directors and Chairman of the Board

The Board shall appoint a Chairman of the Board (the "Chairman") and, if the Chairman is not independent, an independent lead director (the "Lead Director") from amongst the directors which comprise the Board shall be appointed as soon as practicable.

To ensure efficient, independent functioning of the Board, the Chairman or, if a Lead Director has been appointed, the Lead Director shall be the effective leader of the Board. As such, the Chairman or the Lead Director, as applicable, is responsible for ensuring that the Board's agenda enables the Board to successfully carry out its duties. The Chairman shall act as chair of all meetings of the Board and shareholders of the Corporation.

Committees

In addition to any other committees (including special committees) which the Board may in its discretion constitute from time to time, the Board shall have the following standing committees:

- Audit Committee;
- Corporate Governance Committee;
- Compensation Committee; and
- Disclosure Committee.

Certain of the responsibilities of the Board may be delegated to these or other committees of the Board. The composition and responsibilities of these standing committees and any other standing committees of the Board will be as set forth in their terms of reference, as amended from time to time, and approved by the Board. Until such time as when a Nominating, Environment, Health and Safety or Reserves Committee is established, the Board shall be responsible for all such matters as provided in each committee's terms of reference.

Committee members shall be appointed by the Board. The chair of each committee may be designated by the Board or, failing that, by the members of the particular committee. At each meeting of the Board, the chair of each committee (or such committee member as the chair may designate) shall report the results of meetings and any associated recommendations.

Communication

To ensure that the Corporation has in place policies and programs that enable the Corporation to communicate effectively and in a timely manner with its shareholders, other stakeholders, analysts and the public generally the Board has adopted a Corporate Disclosure Policy. The Board will review the Corporate Disclosure Policy annually to ensure its objectives are being achieved and that the Disclosure Committee is effectively implementing such policy.

Meetings and Record Keeping

Meetings of the Board shall be conducted as follows:

1. the Board shall meet regularly and at least quarterly at such times and at such locations as the Chairman, in consultation with the Lead Director (if one), shall determine;
2. notice of meetings shall be given to each director not less than 48 hours before the time of the meeting (unless such notice period is waived). Meetings of the Board may be held without formal notice if all of the directors are present and do not object to notice not having been given, or if those absent waive notice in any manner before or after the meeting. The notice of the meeting may be delivered personally, given by mail, facsimile or other electronic means of communication;
3. each member of the Board is expected to attend Board meetings and meetings of committees on which he or she is a member and to be familiar with deliberations and decisions as soon as possible after any missed meetings. Members of the Board are expected to prepare for meetings by reviewing the meeting materials distributed to members of the Board, to the extent feasible, prior to such meetings;
4. the independent directors of the Board shall regularly hold in camera sessions of the Board, with only independent directors present and at such times as the independent directors, Chairman or Lead Director (if one) determine advisable;
5. a quorum for meetings shall be a majority of the members of the Board, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other;
6. if the Chairman is not present at any meeting of the Board, the Lead Director (if one) shall preside as chair of the meeting. If the Chairman and the Lead Director (if one) are both not present at any meeting, one of the other directors who is present at the meeting shall be chosen by the Board to preside at the meeting;
7. the Chairman shall, in consultation with the Lead Director (if one) and management, establish the agenda for the meetings and instruct management to circulate appropriate agenda materials to the Board with sufficient time for study prior to the meeting;
8. every question at a Board meeting shall be decided by a majority of the votes cast;
9. Management shall receive notice of meetings and may attend meetings of the Board at the invitation of the Chairman or Lead Director (if one);
10. the Corporate Secretary of the Corporation, or any other person selected by the Board, shall act as secretary for the purpose of recording the minutes of each meeting.

The minutes of the meeting of the Board shall be placed in the Corporation's minute book.

Responsibilities and Specific Duties

In accordance with applicable laws, the Board is required to always act honestly and in good faith with a view to the best interests of the Corporation.

The Board is responsible for the stewardship of the Corporation and overseeing the operation of the business of the Corporation. The primary responsibilities of the Board include:

1. to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer (the "CEO") and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation;
2. adopting a strategic planning process and approving, at least on an annual basis, a strategic plan for the Corporation which takes into account, among other things, the opportunities and risks of the business;
3. identifying the principal risks of the Corporation's business, and ensuring appropriate systems are implemented to manage these risks;
4. providing continuing education opportunities for all directors so they may maintain or enhance their skills and abilities as directors, as well as ensure their knowledge and understanding of the Corporation's business remains current;
5. adopting a succession plan which includes the appointing, training and monitoring of senior management;
6. adopting and reviewing on an annual basis the Corporation's Corporate Disclosure Policy to ensure that disclosure made by the Corporation is accurate, informative, timely and broadly disseminated all in accordance with applicable laws and stock exchange rules;
7. ensuring that the Corporation has appropriate processes in place to effectively communicate with its employees, government authorities, other stakeholders and the public;
8. ensuring the necessary internal controls and management systems are in place that effectively monitor the Corporation's operations and ensure compliance with applicable laws, regulations and policies, including reviewing on an annual basis the controls and procedures established for the certification of financial and other disclosure made by the Corporation;
9. developing clear position descriptions for the Chairman, the Lead Director (if one), the chairs of each committee and, in consultation with the CEO, the CEO;
10. developing or approving the corporate goals and objectives that the CEO is responsible for meeting;
11. monitoring compliance with the Code of Business Conduct;
12. the establishment of an appropriate system of corporate governance principles and guidelines applicable to the Corporation, including:
 - (a) reviewing periodically the size of the Board to ensure its continued effectiveness (including, without limitation, facilitating effective decision-making);
 - (b) regularly assessing the effectiveness and contribution of the Board, its committees and each member of the Board considering, among other things, the applicable terms of reference for the Board and each committee and in the case of each member of the Board, the competencies and skills each member is expected to bring to the Board; and

- (c) reviewing periodically the general responsibilities and function of the Board and its committees and the chair of each committee, and the roles of the Chairman, Lead Director (if one) and the CEO; and
13. reviewing the annual corporate governance disclosure of the Corporation in its information circular.

Stakeholder Communication

Any stakeholder may contact the Board. Matters relating to the Corporation's accounting, internal accounting control or audit matters will be referred to the Audit Committee. Other matters will be referred to the Chairman or the Lead Director (if one). Stakeholders may also directly contact the Chairman or the Lead Director (if one).

Review of Terms of Reference

The Board shall review and assess these Terms of Reference and any governance principles and guidelines established by the Board at least annually.

CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE

The Governance Committee (the "Committee") of the Board of Directors (the "Board") of BNK Petroleum Inc. (the "Corporation") shall have the oversight responsibility, authority and specific duties as described below.

Composition

The Committee will be comprised of three or more directors as determined by the Board. Each Committee member shall satisfy the independence and experience requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.

Members of the Committee shall be appointed by the Board. The Nominating Committee (if one) of the Board, if formally established, shall recommend to the full Board eligible directors to fill vacancies on the Committee. Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than three directors.

The chair (the "Chair") of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership.

Communication, Expenses and Authority to Engage Advisors

The Committee shall have access to such officers and employees of the Corporation and to such information respecting the Corporation, as it considers necessary or advisable in order to perform its duties and responsibilities.

The Committee, through its Chair, may directly contact any employee in the Corporation as it deems necessary, and any employee may bring before the Committee, on a confidential basis, any matter involving the matters which the Committee's terms of reference may cover.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and advisors. Any engagement of independent counsel or other advisors is to be at the Corporation's expense.

The Corporation shall be responsible for all expenses of the Committee that are deemed necessary or appropriate by the Committee in carrying out its duties.

Meeting and Record Keeping

Meetings of the Committee shall be conducted as follows:

1. the Committee shall meet at least once annually at such time and at such location as the Chair shall determine. The meeting shall be scheduled to review the report on corporate governance required pursuant to applicable securities laws.
2. the Chair shall preside as chair at each Committee meeting and lead Committee discussion on meeting agenda items;

3. the quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other;
4. if the Chair is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting;
5. the Chair shall, in consultation with management, establish the agenda for the meetings and instruct management to circulate properly prepared agenda materials to the Committee with sufficient time for study prior to the meeting;
6. every question at a Committee meeting shall be decided by a majority of the votes cast; in the event of a tie vote on any matter, such matter shall be presented to the Board for its consideration and determination;
7. the Chief Executive Officer (the "CEO") and Chief Financial Officer shall be available to advise the Committee, shall receive notice of meetings and may attend meetings of the Committee at the invitation of the Chair. Other management representatives may be invited to attend as necessary; and
8. a Committee member, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.

The Committee shall provide the Board with a copy of the minutes of such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All material information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

Responsibilities

The Committee is part of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities with respect to the development and implementation of principles and systems for the management of corporate governance.

Specific Duties

The Committee shall:

1. assess and make recommendations as to the size, composition, operation and effectiveness of the Board.
2. annually review the performance of the Board of Directors, the committees of the Board and individual directors, and the relationship between the Board and management.
3. periodically review and make recommendations to the Board on:
 - (a) the terms of reference for the Board;
 - (b) the terms of reference of the committees of the Board, including the Committee; and
 - (c) the position descriptions for:

- (i) the CEO;
 - (ii) the Chairman of the Board;
 - (iii) the Lead Director (if one); and
 - (iv) the chair of committees of the Board
4. review and make recommendations with respect to continuing education for members of the Board and committees of the Board.
 5. regularly review the corporate governance practices of the Corporation, and, if appropriate, recommend changes to the Board.
 6. regularly review the Corporation's articles and bylaws and recommend any changes to the Board for consideration.
 7. review and recommend to the Board for approval the corporate governance disclosure statements required by applicable securities laws.
 8. review and make recommendations to the Board on any other matters related to the governance of the Corporation that the Committee considers appropriate.
 9. perform any other activities consistent with this mandate and, generally, governing laws as the Committee or the Board deems necessary or appropriate.

Review of Terms of Reference

The Committee shall review and reassess the adequacy of these Terms of Reference at least annually, and otherwise as it deems appropriate and recommend changes to the Board. Such review shall include the evaluation of the performance of the Committee against criteria defined in the Committee and Board terms of reference.

COMPENSATION COMMITTEE TERMS OF REFERENCE

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of BNK Petroleum Inc. (the "Corporation") shall have the oversight responsibility, authority and specific duties as described below.

Composition

The Committee will be comprised of three or more directors as determined by the Board. Each Committee member shall satisfy the independence and experience requirements, if any, of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.

Members of the Committee shall be appointed by the Board. The Nominating Committee (if one) of the Board shall recommend to the full Board eligible directors to fill vacancies on the Committee. Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than three directors.

The chair (the "Chair") of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership.

Communication, Expenses and Authority to Engage Advisors

The Committee shall have access to such officers and employees of the Corporation and to such information respecting the Corporation, as it considers necessary or advisable in order to perform its duties and responsibilities.

The Committee, through its Chair, may directly contact any employee in the Corporation as it deems necessary, and any employee may bring before the Committee, on a confidential basis, any matter involving the matters which the Committee's terms of reference may cover.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and advisors. Any engagement of independent counsel or other advisors is to be at the Corporation's expense.

The Corporation shall be responsible for all expenses of the Committee that are deemed necessary or appropriate by the Committee in carrying out its duties.

Meetings and Record Keeping

Meetings of the Committee shall be conducted as follows:

1. the Committee shall meet at least annually at such time and at such location as the Chair shall determine. The meeting shall be scheduled following preparation of the annual financial statements and reserves evaluation for the purpose of determining bonuses, if any, in respect of the immediately preceding financial year;
2. the Chair shall preside as chair at each Committee meeting and lead Committee discussion on meeting agenda items;

3. the quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other;
4. if the Chair is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting;
5. the Chair shall, in consultation with management, establish the agenda for the meetings and instruct management to circulate properly prepared agenda materials to the Committee with sufficient time for study prior to the meeting;
6. every question at a Committee meeting shall be decided by a majority of the votes cast; in the event of a tie vote on any matter, such matter shall be presented to the Board for its consideration and determination;
7. the Chief Executive Officer (the "CEO") and Chief Financial Officer shall be available to advise the Committee, shall receive notice of all meetings of the Committee and may attend meetings at the invitation of the Chair. Other management representatives may be invited to attend as necessary; and
8. a Committee member, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.

The Committee shall provide the Board with a copy of the minutes of such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All material information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

Responsibilities

The Committee is part of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities with respect to human resources policies and executive compensation matters. In addition, the Committee shall review the compensation of directors and the overall compensation policies of the Corporation.

Specific Duties

The Committee shall:

1. review and recommend for approval by the Board, the Corporation's key human resources policies;
2. review and recommend for approval by the Board, the executive compensation philosophy and remuneration policy for the Corporation;
3. review and approve the corporate goals and objectives relevant to the compensation of the CEO;

4. evaluate the CEO's performance in light of the previously established corporate goals and objectives; and
5. recommend to the Board the CEO's compensation package based on its evaluation of the CEO's performance;
6. review annually and recommend to the Board the annual compensation package and performance objectives of the other senior officers;
7. review the grants of options to purchase shares of the Corporation, at the request of the Board;
8. review and recommend to the Board any significant changes to the overall compensation program of the Corporation;
9. review the adequacy and form of the compensation of directors periodically to determine if the compensation realistically reflects the responsibilities and risks involved in being an effective director, and to report and make recommendations to the Board accordingly;
10. review executive compensation disclosure of the Corporation prior to its public disclosure and report annually to the Corporation's shareholders on executive compensation; and
11. perform any other activities consistent with this mandate, the Corporation's by-laws and governing laws as the Committee or the Board deems necessary or appropriate.

Review of Terms of Reference

The Committee shall review and reassess the adequacy of these Terms of Reference at least annually, and otherwise as it deems appropriate, and recommend changes to the Board. Such review shall include the evaluation of the performance of the Committee against criteria defined in the Committee and Board terms of reference.

POSITION DESCRIPTION FOR CHIEF EXECUTIVE OFFICER

Responsibilities

The Chief Executive Officer (the "CEO") is responsible for the management of the business of BNK Petroleum Inc. (the "Corporation") and works to achieve the corporate goals and objectives the Board of Directors (the "Board") of the Corporation approves from time to time. The legal obligation of the CEO is to act honestly and in good faith with a view to the best interests of the Corporation and, in doing so, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The CEO shall comply with all statutory requirements and shall act with a view to the best interests of the Corporation and with an aim of optimizing shareholder value.

Scope, Duties and Authority

The CEO's scope, duties and responsibilities include, but are not limited to, the following:

1. maintaining a high level of integrity and assisting in creating a culture of integrity throughout the Corporation;
2. working with the Board to determine the strategic direction of the Corporation;
3. leading and assisting the Board in developing short-term and long-term plans and objectives to achieve the strategies of the Corporation;
4. from time to time, determining with the Board, the budgets of the Corporation and the Board's expectations of the CEO;
5. undertaking the day-to-day management and operation of the Corporation and providing leadership designed to achieve the objectives of the Corporation;
6. steward the Corporation's expenditures within approved budgets;
7. developing senior management succession and development plans and reporting to the Board at least annually on such plans including recommending candidates for appointment as officers and senior management of the Corporation to the Board;
8. ensuring appropriate policies and procedures of the Corporation are developed, maintained and disclosed;
9. providing appropriate certifications regarding the Corporation and its activities, as may be required from time to time;
10. ensuring that procedures are in place for appropriate communication to all stakeholders regarding the Corporation's activities and objectives; and
11. complying with all stock exchange, regulatory and statutory requirement.