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For Immediate Release

BNK PETROLEUM INC. ANNOUNCES FIRST QUARTER 2017 RESULTS

CAMARILLO CALIFORNIA, May 9, 2017 -
All amounts are in U.S. Dollars unless otherwise indicated:

FIRST QUARTER HIGHLIGHTS

- In the first quarter of 2017, the Company drilled and fracture stimulated the Chandler 8-6H well, the first well in its 2017 drilling program, in which it holds a 99.9% working interest.
- The Company also drilled the Hartgraves 1-6H well and the Brock 9-2H, in each of which it holds a 100% working interest. The Company expects to begin fracture stimulation on the Hartgraves 1-6H well in the second quarter, with the Brock 9-2H well to be fracture stimulated after the Hartgraves 1-6H well is completed.
- Average production for the first quarter of 2017 was 753 BOEPD, a decrease of 44% compared to first quarter 2016 average production of 1,352 BOEPD due to three wells that were still shut-in during the first quarter, as a result of offset fracture stimulation operations on 19 wells by another operator in the Woodford formation beneath the Caney and also due to the normal production decline. The shut-in wells decreased first quarter 2017 production by over 300 BOEPD. Production improved throughout the quarter with the addition of the Chandler 8-6H well and March 2017 production was over 1,000 BOE per day even without the three wells returning to full production.
- In the quarter, the Company continued to reduce its costs. G&A expenses decreased by another 15% in the first quarter of 2017 compared to the first quarter of 2016 due to continuing cost cutting efforts.
- Funds from continuing operations was approximately $0.9 million in the first quarter 2017 compared to $1.5 million in the first quarter of 2016. The decrease in funds from continuing operations was mainly due to the shut-in wells as well as lower realized gains from commodity contracts in the first quarter of 2017 compared to 2016, partially offset by the pricing increase.
- Net income for the first quarter of 2017 was approximately $1.0 million compared to a net loss of $1.3 million for the first quarter of 2016 due to the unrealized gain of $1.5 million from hedged commodity contracts in the first quarter of 2017.
- Revenue, net of royalties was $2.2 million in the first quarter of 2017 compared to $2.1 million for first quarter of 2016, an increase of 5%, as average prices increased by 91% between the quarters, which offset the production decrease.
- Average netback per barrel for the first quarter of 2017 was $25.81, an increase of 110% from the prior year first quarter due to the higher prices in 2017. Over 80% of first quarter 2017 oil production was hedged which resulted in substantially higher netbacks when the impact of commodity hedges are included. If the commodity contract hedges are included in the

computation, the average netback per barrel increases 27% to $32.92 in 2017 compared to $25.89 in the first quarter of 2016.

- Cash totaled $7.0 million and working capital totaled $1.1 million at March 31, 2017.

BNK's President and Chief Executive Officer, Wolf Regener commented:

"During the first quarter, we used the proceeds from our 2016 equity offering to begin our 2017 drilling program. We drilled and completed the Chandler 8-6H well (99.9% working interest) and drilled the Hartgraves 1-6H well (100% working interest) and the Brock 9-2H well (100% working interest). We expect to perform the fracture stimulation of the Hartgraves 1-6H well in the second quarter, with the Brock 9-2H well to follow. We are looking forward to the completion of these wells which we believe will outperform all of our previous wells due to both wells having full length laterals available for stimulation, improved placement of the laterals in the Caney based on previous learnings and both being located in areas where we have excellent calculated original oil in place numbers.

Our net revenue increased by 5% in the first quarter 2017 as average prices increased by 91% compared to the prior year quarter. The price increase offset the impact of our decline in production due to the three shut-in wells during the first quarter, which reduced production by over 300 BOEPD during the quarter. However, our production increased throughout the quarter as the Chandler 8-6H well started production in late February and the shut-in wells were brought back online. Our March 2017 production was over 1,000 BOEPD. All the shut-in wells are still pumping off the offset operator's frack water and, at the end of the quarter, were still about 230 BOEPD below expected production levels. We don't expect any impact to the long-term production of the wells even though they are recovering slower than we originally expected them too.

The Company continues to succeed in its cost-cutting efforts. In the first quarter of 2017, a reduction of general and administrative expense of 15% was achieved over the first quarter of 2016. These continued cost savings coupled with a 91% increase in average prices compared to the prior year quarter contributed to the Company generating funds from operations of $0.9 million despite the loss of production from the shut-in wells.

The Company's hedging position has continued to allow us to realize higher prices than current market levels for a portion of our production. During the first quarter 2017, the Company was able to realize an average price of $63.99/bbl on more than 80% of its oil production. We expect a comparable level of hedging in the rest of 2017 as the Company has commodity contracts in place to recognize an average price of $61.55/bbl on 80% of existing 2017 production going forward, excluding the new production coming on-line from the 2017 drilling program.

Average netbacks for the first quarter of 2017 were $25.81, an increase of 110% compared to the prior year due to higher prices. If we include the impact of the realized gains from the commodity contracts, our average netbacks for 2017 would be $32.92, which is an increase of 27% compared to the first quarter of 2016.

In the first quarter of 2017, the Company generated a net income of $1.0 million compared to a net loss of $1.3 million in the first quarter 2016."

	1st Qtr 2017	1st Qtr 2016	%
Net income (loss):			
$ Thousands	$984	$(1,250)	179
$ per common share assuming dilution	$0.01	$(0.01)	-
Capital Expenditures	$10,544	$131	7,949
Average production per day (Boepd)	753	1,352	(44)
Average Product Price per Barrel	$41.45	$21.69	91
Average Netback per Barrel	$25.81	$12.29	110
Average Price per Barrel including Commodity Contracts	$48.56	$35.29	38
Average Netback per Barrel including Commodity Contracts	$32.92	$25.89	27

	3/31/2017	12/31/2016
Cash and Cash Equivalents	$6,988	$11,101
Working Capital	$1,108	$10,640

First Quarter 2017 versus First Quarter 2016

Oil and gas gross revenues totaled $2,809,000 in the quarter versus $2,669,000 in the first quarter of 2016. Oil revenues increased $354,000 or 17% as average oil prices increased $18.71 per barrel or 62% to $48.95 offset by a 27% decrease in oil production per day to 545 boepd. Natural gas revenues decreased $142,000 or 47% to $157,000 as average natural gas prices increased $1.23/mcf or 64% to $3.16 which was partially offset by a 68% decrease in natural gas production of 1,702 cubic feet per day (mcf/d) to 552 mcf/d. Natural gas liquids (NGLs) revenues decreased $72,000 or 22% as NGL production decreased 64% to 116 boepd while average NGL prices increased 119% to $24.05.

Average first quarter 2017 production per day decreased 44% from the first quarter of 2016 due to the 3 shut-in wells as well as the normal production decline.

Production and operating expenses decreased to $427,000 and the per barrel production and operating costs increased by 40% to $6.30/barrel due to the Company's cost cutting efforts. The per barrel operating expense increase of 40% is due to the decrease in production from the shut-in wells as well as additional water hauling costs once the shut-in wells were returned to production. If these water hauling costs are excluded, the per barrel operating expenses for the first quarter of 2017 would be reduced to $5.87 per BOE.

Depletion and depreciation expense decreased $714,000 or 43% due to a decrease in production in 2017.

General and administrative expenses decreased $161,000 or 15% due to cost cutting efforts which included reduced salary and benefits and legal and professional fees.

Stock based compensation increased slightly by $5,000 or 13% due to the timing of stock awards granted to employees.

Finance income increased $361,000 in the first quarter of 2017 compared to the prior year quarter primarily due to unrealized gains on commodity contracts in the first quarter of 2017 offset by lower realized gains compared to the prior year quarter.

Finance expense decreased $853,000 in the first quarter of 2017 compared to the prior year quarter primarily due to unrealized losses on commodity contracts in the first quarter of 2016 and reduced interest expense on the credit facility in 2017.

Capital expenditures of $10,544,000 were incurred in the first quarter of 2017 relating to the 2017 drilling program in the US.

BNK PETROLEUM INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited, Expressed in Thousands of United States Dollars)
($000 except as noted)

	March 31 2017	December 31 2016
Current Assets		
Cash	$6,988	$11,101
Trade and other receivables	1,709	1,163
Other current assets	569	614
Fair value of commodity contracts	991	650
	10,257	13,528
Non-current assets		
Property, plant and equipment	142,980	133,476
	142,980	133,476
Total Assets	$153,237	$147,004
Current Liabilities		
Trade and other payables	$9,149	$2,888
	9,149	2,888
Non-current liabilities		
Loans and borrowings	20,272	20,229
Asset retirement obligations	905	785
Fair value of commodity contracts	218	1,417
	21,395	22,431
Equity		
Share capital	289,522	289,549
Contributed surplus	22,246	22,195
Deficit	(189,075)	(190,059)
Total Equity	122,693	121,685
Total Equity and Liabilities	$153,237	$147,004

BNK PETROLEUM INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited, expressed in Thousands of United States dollars, except per share amounts)

($000 except as noted)

($000's)	Three months ended March 31, 2017	2016
Oil and gas revenue net of royalties	$2,177	$2,064
Other income	1	1
	2,178	2,065
Production and operating expenses	427	552
Depletion and depreciation	957	1,671
General and administrative expenses	937	1,098
Share based compensation	44	39
	$2,365	$3,360
Finance Income	2,039	1,678
Finance Expense	(471)	(1,324)
Net income (loss) and comprehensive income (loss) from continuing operations	$1,381	$(941)
Net loss and comprehensive loss from discontinued operations	(397)	(309)
Net income (loss)	984	(1,250)
Net income (loss) per share	$0.01	$(0.01)

BNK PETROLEUM INC.
FIRST QUARTER 2017
(Unaudited, expressed in Thousands of United States dollars, except as noted)

	Quarter Ending March 31,	
	2017	**2016**
Oil revenue before royalties	$2,401	$2,047
Gas revenue before royalties	157	299
NGL revenue before royalties	251	323
Oil and Gas revenue	2,809	2,669
Cash flow provided by operating activities	6	1,544
Capital expenditures	(10,544)	(131)

Statistics:		
Average oil production (Bopd)	545	744
Average natural gas production (mcf/d)	552	1,702
Average NGL production (Boepd)	116	324
Average production (Boepd)	753	1,352
Average oil price ($/bbl)	$ 48.95	$ 30.24
Average natural gas price ($/mcf)	3.16	1.93
Average NGL price ($/bbl)	24.05	10.96
Average price per barrel	$41.45	$21.69
Royalties per barrel	9.34	4.91
Operating expenses per barrel	6.30	4.49
Netback per barrel	$25.81	$12.29
Average price per barrel including commodity contracts	$48.56	$35.29
Royalties per barrel	9.34	4.91
Operating expenses per barrel	6.30	4.49
Netback per barrel including commodity contracts	$32.92	$25.89

The information outlined above is extracted from and should be read in conjunction with the Company's unaudited financial statements for the three months ended March 31, 2017 and the related management's discussion and analysis thereof, copies of which are available under the Company's profile at www.sedar.com.

NON-GAAP MEASURES

Netback per barrel and netbacks including commodity contracts, net operating income and funds from operations (collectively, the "Company's Non-GAAP Measures") are not measures recognized under Canadian generally accepted accounting principles ("GAAP") and do not have any standardized meanings prescribed by GAAP.

The Company’s Non-GAAP Measures are described and reconciled to the GAAP measures in the management's discussion and analysis which are available under the Company's profile at www.sedar.com.

CAUTIONARY STATEMENTS

In this news release and the Company’s other public disclosure:

(a) The Company's natural gas production is reported in thousands of cubic feet ("**Mcfs**"). The Company also uses references to barrels ("**Bbls**") and barrels of oil equivalent ("**Boes**") to reflect natural gas liquids and oil production and sales. Boes may be misleading, particularly if used in isolation. A Boe conversion ratio of 6 Mcf:1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

(b) Discounted and undiscounted net present value of future net revenues attributable to reserves do not represent fair market value.

(c) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

(d) The Company discloses peak and 30-day initial production rates and other short-term production rates. Readers are cautioned that such production rates are preliminary in nature and are not necessarily indicative of long-term performance or of ultimate recovery.

Caution Regarding Forward-Looking Information

This release contains forward-looking information including information regarding the proposed timing and expected results of exploratory and development work including production from the Company's Tishomingo field, Oklahoma acreage, the future performance of wells following shut-in and restart, the expected effects of cost reduction efforts, availability of funds from the Company’s reserves based loan facility, expected hedging levels and the Company’s strategy and objectives. The use of any of the words “target”, “plans”, "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements.

Such forward-looking information is based on management’s expectations and assumptions, including that the Company's geologic and reservoir models and analysis will be validated, that indications of early results are reasonably accurate predictors of the prospectiveness of the shale intervals, that previous exploration results are indicative of future results and success, that expected production from future wells can be achieved as modeled, declines will match the modeling, future well production rates will be improved over existing wells, that rates of return as modeled can be achieved, that recoveries are consistent with management’s expectations, that additional wells are actually drilled and completed, that design and performance improvements will reduce development time and expense and improve productivity, that discoveries will prove to be economic, that anticipated results and estimated costs will be consistent with managements’ expectations, that all required permits and approvals and the necessary labor and equipment will be obtained, provided or available, as applicable, on terms that are acceptable to the Company, when required, that no unforeseen delays, unexpected geological or other effects, equipment failures, permitting delays or labor or contract disputes are encountered, that the development plans of the Company and its co-venturers will not change, that the demand for oil and gas will be sustained, that the Company will continue to be able to access sufficient capital through financings, credit facilities, farm-ins or other participation arrangements to maintain its projects, that the Company will continue in compliance with the covenants under its reserves-based loan facility and that the borrowing base will not be reduced, that funds will be available from the Company's reserves based loan facility when required to fund planned operations, that the Company will not be adversely affected by changing government policies and regulations, social instability or other political, economic or diplomatic developments in the countries in which it operates and that global economic conditions will not deteriorate in a manner that has an adverse impact on the Company's business and its ability to advance its business strategy.

Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: any of the assumptions on which such forward looking information is based vary or prove to be invalid, including that the Company's geologic and reservoir models or analysis are not validated, anticipated results and estimated costs will not be consistent with managements' expectations, the risks associated with the oil and gas industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration and development projects or capital expenditures; the uncertainty of reserve and resource estimates and projections relating to production, costs and expenses, and health, safety and environmental risks including flooding and extended interruptions due to inclement or hazardous weather), the risk of commodity price and foreign exchange rate fluctuations, risks and uncertainties associated with securing the necessary regulatory approvals and financing to proceed with continued development of the Tishomingo Field, the Company or its subsidiaries is not able for any reason to obtain and provide the information necessary to secure required approvals or that required regulatory approvals are otherwise not available when required, that unexpected geological results are encountered, that completion techniques require further optimization, that production rates do not match the Company's assumptions, that very low or no production rates are achieved, that the Company will cease to be in compliance with the covenants under its reserves-based loan facility and be required to repay outstanding amounts or that the borrowing base will be reduced pursuant to a borrowing base re-determination and the Company will be required to repay the resulting shortfall, that the Company is unable to access required capital, that funding is not available from the Company's reserves based loan facility at the times or in the amounts required for planned operations, that occurrences such as those that are assumed will not occur, do in fact occur, and those conditions that are assumed will continue or improve, do not continue or improve and the other risks identified in the Company's most recent Annual Information Form under the "Risk Factors" section, the Company's most recent management's discussion and analysis and the Company's other public disclosure, available under the Company's profile on SEDAR at www.sedar.com.

With respect to estimated reserves, the evaluation of the Company's reserves is based on a limited number of wells with limited production history and includes a number of assumptions relating to factors such as availability of capital to fund required infrastructure, commodity prices, production performance of the wells drilled, successful drilling of infill wells, the assumed effects of regulation by government agencies and future capital and operating costs. All of these estimates will vary from actual results. Estimates of the recoverable oil and natural gas reserves attributable to any particular group of properties, classifications of such reserves based on risk of recovery and estimates of future net revenues expected therefrom, may vary. The Company's actual production, revenues, taxes, development and operating expenditures with respect to its reserves will vary from such estimates, and such variances could be material. In addition to the foregoing, other significant factors or uncertainties that may affect either the Company's reserves or the future net revenue associated with such reserves include material changes to existing taxation or royalty rates and/or regulations, and changes to environmental laws and regulations.

Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause actual results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The forward-looking information included in this release is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to update these forward-looking statements, other than as required by applicable law.

About BNK Petroleum Inc.
BNK Petroleum Inc. is an international oil and gas exploration and production company focused on finding and exploiting large, predominately unconventional oil and gas resource plays. Through various affiliates and subsidiaries, the Company owns and operates shale gas properties and concessions in the United States. Additionally the Company is utilizing its technical and operational expertise to identify and acquire additional unconventional projects. The Company's shares are traded on the Toronto Stock Exchange under the stock symbol BKX.

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