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TSX ticker symbol; BKX

For Immediate Release

BNK PETROLEUM INC. ANNOUNCES PRIVATE PLACEMENT TO CLOSE IN TWO TRANCHES AND STATUS OF SUBSIDIARY'S REPLACEMENT CREDIT FACILITY

CAMARILLO CALIFORNIA, October 25, 2010 – BNK Petroleum Inc. (the "Company") (TSX: BKX) is pleased to announce that the TSX has accepted notice of the previously announced \$66 million private placement of shares with Quantum Partners LP and has conditionally approved the listing of the 26 million shares to be issued in the private placement.

The private placement will close in two tranches in order to accommodate the time required to complete background checks required by the TSX when a transaction results in a new insider. The first tranche of 10,600,000 shares is expected to close before October 29th, 2010. The second tranche for the balance of the 26 million shares will close, subject to satisfaction of any remaining conditions within three business days of TSX confirmation that it has cleared the relevant information. The Company intends to use the net proceeds of the private placement for general corporate purposes, including work commitments on its European shale gas concessions.

The Company is also pleased to report that definitive documentation is near completion for the previously announced BNK Petroleum (US) Inc. ("BNK US") replacement credit facility. BNK US is the Company's indirect wholly-owned subsidiary which holds its US oil and gas interests. The initial commitment amount of the new revolving, reserves-based facility is expected to be US\$20,000,000, with a maximum commitment of US\$100,000,000. The facility will replace BNK US's existing facility that is anticipated to total approximately \$23.5 million inclusive of accrued interest at closing. The balance due of \$3.5 million will be paid from cash on hand. The replacement facility will have a three year term and be secured by the assets of BNK US and a guarantee of the Company. Unlike the existing credit facility which requires monthly repayments of principal based on a percentage of BNK US operating income, it is expected that under the new facility BNK US will make monthly payments of interest, with payments on account of principal required only if the borrowing base (calculated based on BNK US oil and gas reserves) were to be reduced. Interest is expected to be LIBOR or base rate pricing plus an applicable margin subject to a minimum interest rate of 4.25%. BNK US is continuing discussions with other lenders to provide additional financing on substantially identical terms that would increase the total size of the new facility from \$20-million to \$23.8-million.

Caution Regarding Forward-Looking Information

Certain statements contained in this news release constitute "forward-looking information" as such term is used in applicable Canadian securities laws, including information regarding the proposed private placement, the estimated closing date of the financing and the proposed use of proceeds. Forward-looking information is based on plans and estimates of management at the date the information is provided and certain factors and assumptions of

management, including that the parties will reach a binding agreement in respect of the private placement and that the required capital and all necessary regulatory approvals will be available to complete the financing. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information. Factors that could cause the forward-looking information in this news release respecting the private placement to change or to be inaccurate include, but are not limited to, the risk that closing of the private placement transaction may be delayed, that not all conditions to closing of the private placement will be satisfied, that the Company will experience a material adverse effect, and that the necessary regulatory approvals will not be obtained. Factors that could cause the forward-looking information in this news release respecting the replacement credit facility to change or be inaccurate include the possibility that the lender or lenders will impose additional conditions, that final documentation is not agreed and the risks associated with the credit markets generally. 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 a U.S. based 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, Poland and Germany. Additionally the Company is utilizing its technical and operational expertise to identify and acquire additional unconventional projects outside of North America. The Company's shares are traded on the Toronto Stock Exchange under the stock symbol BKX.

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