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For Immediate Release

BNK PETROLEUM INC. ANNOUNCES ANNUAL 2016 FINANCIAL RESULTS

CAMARILLO CALIFORNIA, March 23, 2017 –
All amounts are in U.S. Dollars unless otherwise indicated:

2016 HIGHLIGHTS

- In October 2016, the Company completed an equity offering issuing 70,000,000 shares at a price of C$0.20 per share. The Company intends to use the net proceeds from this offering for exploration and development of its Tishomingo Field, located in Oklahoma, including funding a drilling program and for general working capital. The net cash proceeds of the equity offering totalled $9.7 million
- The Company had oil hedges in place for almost 80% of its production during 2016 at an average price of $65.22/bbl. In 2017, the Company has a comparable percentage of oil hedged on its forecasted existing production at $61.55/bbl, excluding the new production that it expects to generate from its 2017 drilling program.
- Operating cash flow was $5.2 million for 2016
- The Company's Total Proved Reserves increased by 1% to 18 million barrels of oil equivalent (BOE) and the Proved plus Probable Reserves increased by 2% to 42 million BOEs based on the Company's December 31, 2016 independent reserves evaluation.
- The estimated ultimate recovery from the Company's previously existing producing wells increased by 1.2 million BOEs, as the existing producing wells once again exceeded the previous year forecast based on the Company's December 31, 2016 independent reserves evaluation
- Average production was 1,045 barrels of oil equivalent per day (BOEPD) for 2016, a decrease of 26% compared to 2015 production of 1,415 BOEPD due to normal production decline as the Company did not drill or complete any new wells in 2016 and also had three wells shut-in during the fourth quarter due to offset fracture stimulation operations by another operator
- General & administrative expenses related to continuing operations decreased by 21% compared to 2015 due to the Company's continuing cost cutting efforts
- Average netbacks were $16.76 per BOE for 2016, a decrease of 21% compared to 2015 due to lower prices in 2016 and slightly higher operating costs per barrel. However, if the realized gains from the commodity hedge contracts discussed above are included, the average netbacks for the year increase by almost $11/barrel to $27.70 per BOE
- In 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, the second well in its 2017 drilling program, in which it holds a 100% working interest. The Company expects to begin fracture stimulation of the well in May
- The third well in the 2017 drilling program, the Brock 9-2H well, is currently being drilled by the Company. The Company has a 100% working interest in that well and expects to begin fracture stimulation operations in May
- During 2016, the Company made paydowns totaling $3.9 million on its credit facility to reduce the outstanding balance to $20.5 million. In the fourth quarter of 2016, the existing lenders reaffirmed the Company's available borrowing capacity at $24.4 million.
- Revenue, net of royalties was $8.6 million for 2016 compared to $13.7 million in 2015 due to lower prices in 2016 and reduced production
- A net loss of $11.1 million was incurred in 2016 which included an $8.0 million unrealized loss on risk management contracts.
- Cash and working capital totaled $11.1 million and $10.6 million respectively at December 31, 2016

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

"With the proceeds from the equity offering that was completed in October 2016, we were excited to begin our 2017 drilling program at the end of the year. We drilled and completed the Chandler 8-6H well (99.9% working interest), which was our first well in the 2017 drilling program, during the first quarter of 2017. The 30 day initial production rate (IP) is 230 barrels of oil per day and 265 barrels of oil equivalent per day. The well continues to produce a higher oil percentage (87%) than expected from this part of the field while still continuing to clean up. The well is producing in line with our proved undeveloped (PUD) case type curve for oil that is used to estimate the reserves attributed to the Company's Tishomingo Field.

"The Hartgraves 1-6H well (100% working interest), which is the second well in our 2017 drilling program, was successfully drilled in the first quarter and we expect to begin fracture stimulation operations in May.

"In addition, we are currently drilling the third well in our drilling program, the Brock 9-2H well (100% working interest). We expect to finish the drilling operations in April with fracture stimulation to follow after the Hartgraves 1-6H stimulation. The drilling and completion plan for the well has been modified based on the learnings from the more easterly located Chandler 8-6H well. The Company expects these changes to result in making even better wells that exceed our PUD case type curve as we step out further to the East.

"Despite the continued lower level of oil prices during 2016, the Company was able to realize higher prices on a significant amount of its production due to its hedging program. During the year, the Company was able to realize an average price of $65.22/bbl on almost 80% of its oil production. This trend will continue into 2017 as the Company has commodity contracts in place to recognize a price of $61.55/bbl on 80% of existing production going forward, excluding the new production coming on-line from the 2017 drilling program.

"The Company's Total Proved Reserves increased by 1% to 18 million BOEs and the Proved plus Probable Reserves increased by 2% to 42 million BOEs, despite not drilling any wells in 2016. In addition, the estimated ultimate recovery from the Company's previously existing producing wells increased by 1.2 million BOEs, as the existing producing wells once again exceeded the previous year forecast.

"We continue to generate positive cash flow due to our cost cutting efforts and the impact of our hedging program. The Company generated $5.2 million of operating cash flows during 2016, a decrease of only 7% from 2015.

"During 2016, the Company's production declined by 26% to 1,045 boepd due to the normal production decline as the Company did not have any new production during 2016. We also had three wells that were shut-in during part of the fourth quarter of 2016, due to offset fracture stimulation operations by another operator in the Woodford formation. The operator completed the fracture stimulations in the first quarter of 2017 and all of these wells have been brought back on to production. The Company does not expect any impact on the long-term production of the wells going forward.

"Our continuing cost cutting efforts continue to result in significant cost reductions with general and administrative expenses decreasing by 21% during 2016 compared to the prior year. In addition, the shutdown of the European operations will contribute to the cost reduction efforts as these discontinued operations incurred a net loss of $1.2 million in 2016.

"Average netbacks for 2016 were $16.76, a decrease of 21% compared to the prior year due to lower prices. If we include the impact of the realized gains from the commodity hedging contracts, our average netbacks for 2016 would be $27.70, which is a decrease of only 6% compared to 2015."

	Fourth Quarter			Year Ended		
	2016	2015	%	2016	2015	%
Net Loss:						
$ Thousands	$(3,745)	$(6,350)	-%	$(11,148)	$(6,570)	-%
$ per common share assuming dilution	$(0.02)	$(0.04)	-%	$(0.06)	$(0.04)	-%
Capital Expenditures	$1,751	$417	320%	$2,497	$9,526	(74%)
Average Production (Boepd)	661	1,367	(52%)	1,045	1,415	(26%)
Gross Revenue	2,258	3,629	(38%)	11,084	17,606	(37%)
Average Product Price per Barrel	$37.13	$28.86	29%	$28.98	$34.09	(15%)
Average Netback per Barrel	$20.97	$17.10	23%	$16.76	$21.10	(21%)
Average Price per Barrel including Commodity Contracts	$47.56	$40.24	18%	$39.92	$42.42	(6%)
Average Netback per Barrel including Commodity Contracts	$31.40	$28.48	10%	$27.70	$29.43	(6%)

	December 2016	December 2015
Cash and Cash Equivalents	$11,101	$1,666
Working Capital	$10,640	$7,298

Year Ended 2016 to Year Ended 2015

For 2016, oil and natural gas revenues net of royalties decreased $5,135,000 or 37% to $8,578,000. Oil revenues before royalties decreased by 39% to $9,008,000 due to a 14% decrease in prices between years and a 29% decrease in production. Natural gas revenues before royalties declined $569,000 or 41% due to a 17% decrease in natural gas prices per mcf and a 29% decrease in average production. NGL revenue before royalties declined $138,000 or 10% due to a 14% decrease in production partially offset by a 4% increase in average prices.

Exploration and evaluation expenses increased $789,000. The 2016 amount includes an impairment of $835,000 on exploration and evaluation leases.

Depletion and depreciation expense decreased $2,726,000 primarily due to reduced production.

General and administrative expenses decreased $1,029,000 due to the Company's cost cutting efforts during 2016 and 2015 which resulted in lower salary and benefit costs due to decreased headcount, legal and professional fees and travel costs.

Finance income decreased $4,157,000 due to an unrealized gain on risk management contracts in 2015 of $3,975,000. Finance expense increased $7,861,000 due to an unrealized loss on risk management contracts of $8,027,000 in 2016.

Capital expenditures of $2,497,000 were incurred in 2016 mainly for drilling and completion costs in Oklahoma during the fourth quarter of the year.

FOURTH QUARTER HIGHLIGHTS:

- Revenue, net of royalties, was $1.8 million for fourth quarter 2016, a decrease of 42% compared to the fourth quarter 2015 due to lower prices and decreased production
- Cash flow from operations was $0.5 million in the fourth quarter of 2016 compared to $1.0 million in prior year fourth quarter mainly due to the shut-in of three wells during 2016
- Average netbacks for the fourth quarter of 2016 were $20.97, an increase of 23% over fourth quarter 2015 due to price increases. If the realized gains from the commodity contracts are included, the average netbacks for the fourth quarter of 2016 increase by more than $10/barrel to $31.40 per BOE compared to $28.48 per BOE for the fourth quarter of 2015
- Average production for the quarter was 661 BOEPD, a decrease of 52% compared to the prior year fourth quarter mainly due the three shut-in wells, all of which have been brought back on production in early 2017
- G&A expense decreased by $0.3 million, or 27%, due to the Company's cost cutting efforts
- A net loss of $3.7 million was incurred in the fourth quarter 2016 due primarily to unrealized losses on commodity contracts of $2.1 million and $0.8 million impairment of exploration and evaluation assets
- The Company's lender reaffirmed the Company's current outstanding borrowing base of $24.4 million

Fourth Quarter 2016 to Fourth Quarter 2015

Oil and gas revenues net of royalties totaled $1,750,000 in the quarter versus $3,008,000 in the fourth quarter of 2015. Oil revenues were $1,910,000 in the quarter versus $3,011,000 in the fourth quarter of

2015, a decrease of 37% due to decreased production of 47% partially offset by an increase in average oil prices of 18%. Natural gas revenues decreased 46% due to the decrease in the production of 59% partially offset by an increase in natural gas prices of 32%. NGL revenue decreased 42% to $213,000 as average NGL production decreased by 60% partially offset by an average price increase of 45%.

Exploration and evaluation expenses increased $833,000 in 2016 compared to 2015. The 2016 amount includes an impairment of $835,000 on exploration and evaluation leases.

Depletion and depreciation expense decreased $845,000 primarily due to reduced production.

General and administrative expenses decreased $318,000 between quarters due to the Company's cost cutting efforts during 2016 and 2015 which resulted in lower salary and benefit costs due to decreased headcount, legal and professional fees and travel costs.

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

	December 31, 2016	December 31, 2015
Current assets		
Cash and cash equivalents	$ 11,101	$ 1,666
Trade and other receivables	1,163	2,905
Deposits and prepaid expenses	614	906
Fair value of commodity contracts	650	4,459
	13,528	9,936
Non-current assets		
Fair value of commodity contracts	-	2,802
Property, plant and equipment	133,476	136,233
Exploration and evaluation assets	-	835
	133,476	139,870
Total assets	$ 147,004	$ 149,806
Current liabilities		
Trade and other payables	$ 2,888	$ 2,638
	2,888	2,638
Non-current liabilities		
Fair value of commodity contracts	1,417	-
Loans and borrowings	20,229	23,961
Asset retirement obligations	785	788
	22,431	24,749
Equity		
Share capital	289,549	279,859
Contributed surplus	22,195	21,471
Deficit	(190,059)	(178,911)
Total equity	121,685	122,419
Total equity and liabilities	$ 147,004	$ 149,806

BNK PETROLEUM INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

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

	Three months ended December 31		Year ended December 31	
	2016	2015	2016	2015
Revenue:				
Oil and natural gas revenue, net	$ 1,750	$ 3,008	$ 8,578	$ 13,713
Other income	(19)	-	(17)	6
	1,731	3,008	8,561	13,719
Expenses:				
Exploration and evaluation	835	2	835	46
Production and operating	475	653	2,168	2,614
Depletion and depreciation	868	1,713	5,249	7,975
General and administrative	858	1,176	3,760	4,789
Share based compensation	105	147	611	602
	3,141	3,691	12,623	16,026
Finance income	634	3,034	4,184	8,341
Finance expense	(2,674)	(522)	(10,100)	(2,239)
Net income/loss and comprehensive income/loss from continuing operations	$ (3,450)	1,829	(9,978)	3,795
Net loss and comprehensive loss from discontinued operations	(295)	(8,179)	(1,170)	(10,364)
Net loss and comprehensive loss	$ (3,745)	$ (6,350)	$ (11,148)	$ (6,569)
Net income/loss per share				
Continuing operations	(0.02)	0.01	(0.05)	0.02
Discontinued operations	(0.00)	(0.05)	(0.01)	(0.06)
Basic and Diluted	$ (0.02)	$ (0.04)	$ (0.06)	$ (0.04)

BNK PETROLEUM INC.

FOURTH QUARTER AND YEAR ENDED 2016

(Unaudited, expressed in Thousands of United States dollars, except as noted)

		4th Quarter		Year Ended Dec. 31	
		2016	2015	2016	2015
Oil revenue before royalties	$	1,910	3,011	9,008	14,823
Gas revenue before royalties		135	249	829	1,398
NGL revenue before royalties		213	369	1,247	1,385
Oil and Gas gross revenue		2,258	3,629	11,084	17,606
Cash flow from operating activities		454	1,039	5,180	5,581
Additions to property, plant & equipment		(1,751)	(52)	(2,497)	(9,133)
Additions to Exploration and Evaluation Assets		-	(365)	-	(393)

Statistics:

	4th Quarter		Year Ended Dec. 31	
	2016	2015	2016	2015
Average oil production (Bopd)	445	832	622	879
Average natural gas production (mcf/d)	588	1,436	1,116	1,568
Average NGL production (Boepd)	118	296	237	275
Average production (Boepd)	661	1,367	1,045	1,415
Average oil price ($/bbl)	$46.63	$39.36	$39.59	$46.20
Average natural gas price ($/mcf)	$2.50	$1.89	$2.03	$2.44
Average NGL price ($/bbl)	$19.61	$13.54	$14.36	$13.79
Average price per barrel	$37.13	$28.86	$28.98	$34.09
Royalties per barrel	8.35	6.57	6.55	7.94
Operating expenses per barrel	7.81	5.19	5.67	5.05
Netback per barrel	$20.97	$17.10	$16.76	$21.10
Average price per barrel including commodity contracts	$47.56	$40.24	$39.92	$42.42
Royalties per barrel	8.35	6.57	6.55	7.94
Operating expenses per barrel	7.81	5.19	5.67	5.05
Netback per barrel including commodity contracts	$31.40	$28.48	$27.70	$29.43

The information outlined above is extracted from and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2016 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, 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.

Readers are referred to the full description of the results of the Company's December 31, 2016 independent reserves evaluation and other oil and gas information contained in its Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* for the year ended December 31, 2016, which the Company filed on SEDAR on March 23, 2017.

Caution Regarding Forward-Looking Information

This release contains forward-looking information including information regarding the use of proceeds from the equity offering completed in October 2016, estimates of reserves, 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 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, 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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