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For Immediate Release

BNK PETROLEUM INC. ANNOUNCES 2018 DRILLING PROGRAM AND BANK LINE INCREASE

CAMARILLO, CALIFORNIA, December 28, 2017 – BNK Petroleum Inc. (the "**Company**") (TSX: BKX) is pleased to announce that its indirect wholly owned subsidiary BNK Petroleum (US) Inc. ("BNK US") has obtained an increase in its Borrowing Base to US$30,000,000 on it's US$75,000,000 revolving line of credit ("credit facility") from BOK Financial ("BOKF"). The Company is also pleased to announce that it plans to commence its 2018 drilling program in January.

Commenting on the news, Wolf Regener, President and CEO, said "Following up on the success of our 2017 drilling program, we are now finalizing plans for our 2018 drilling program, which will be funded through existing cash flow and the increased credit available under our credit facility. We are currently finalizing agreements with a drilling rig contractor to begin drilling the first of our next two wells, the Glenn 16-2H, in January. We have retained the talents of the team that performed so well in our 2017 program and we are looking forward to the continued success of our drilling campaign, which we believe will continue to increase our cash flow and reserves.

We are very pleased to have BOKF's continued support as we continue to develop our Tishomingo project. This increase in our borrowing base supports our reserve growth initiatives. Additionally, we have engaged financial advisors, Macquarie Capital Markets Canada Ltd. and KLR Group, LLC to provide and review alternatives for the Company that may include drilling funds, joint ventures and other means by which we can accelerate the growth of our reserves and shareholder value."

The increase of US$5,000,000 in available borrowing capacity under the credit facility is intended to be used for the further development of the Company's Tishomingo field in Oklahoma. The interest rate on the facility is calculated based on usage under two separate tranches. The first tranche bears interest at a per annum rate equal to an elected LIBOR rate plus a margin ranging from 3% to 4%, depending on the borrowing base utilization amount. In connection with this borrowing base increase, the first tranche has been increased from US$20,000,000 to US$25,000,000. The second tranche will bear interest at a per annum rate equal to the elected LIBOR rate plus 6%, which remains at US$5,000,000 of the borrowing base. The facility provides for interest only payments until the June 2022 maturity date, with bi-annual scheduled reserve redeterminations.

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 oil and 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 and on the OTCQB under the stock symbol BNKPF.

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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 statements regarding the timing of and expected results from planned Caney wells development and the Company's plans and objectives. Forward-looking information is based on plans and estimates of management and interpretations of data by the Company's technical team at the date the data is provided and is subject to several factors and assumptions of management, including that that indications of early results are reasonably accurate predictors of the prospectiveness of the shale intervals, that required regulatory approvals will be available when required, that no unforeseen delays, unexpected geological or other effects, including flooding and extended interruptions due to inclement or hazardous weather conditions, equipment failures, permitting delays or labor or contract disputes are encountered, that the necessary labor and equipment will be obtained, that the development plans of the Company and its co-venturers will not change, that the offset operator's operations will proceed as expected by management, that the demand for oil and gas will be sustained, that the Company will continue to be able to access sufficient capital through financings, farm-ins or other participation arrangements to maintain its projects, and that global economic conditions will not deteriorate in a manner that has an adverse impact on the Company's business, its ability to advance its business strategy and the industry as a whole. 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 to change or to be inaccurate include, but are not limited to, the risk that any of the assumptions on which such forward looking information is based vary or prove to be invalid, including that 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 equipment failures, permitting delays labor or contract disputes or shortages of equipment or labor are encountered, 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 conditions), that the offset operator's operations have unexpected adverse effects on the Company's operations, 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 is unable to access required capital, 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 and uncertainties applicable to exploration and development activities and the Company's business as set forth in the Company's management discussion and analysis and its annual information form, both of which are available for viewing under the Company's profile at www.sedar.com, any of which could result in delays, cessation in planned work or loss of one or more concessions and have an adverse effect on the Company and its financial condition. The Company undertakes no obligation to update these forward-looking statements, other than as required by applicable law.