760 Paseo Camarillo, Suite 350
Camarillo, California 93010
Phone: (805) 484-3613
Fax: (805) 484-9649

TSX ticker symbol; BKX
OTCQX ticker symbol; BNKPF

For Immediate Release

BNK PETROLEUM INC. ANNOUNCES FIRST QUARTER 2020 RESULTS

CAMARILLO CALIFORNIA, May 6, 2020
All amounts are in U.S. Dollars unless otherwise indicated:

FIRST QUARTER HIGHLIGHTS

- Average production for the first quarter of 2020 was 1,225 BOEPD, a decrease of 19% compared to first quarter of 2019 average production of 1,513 BOEPD. This decrease was due to the natural decline of existing wells
- The Company has commodity contracts in place for almost 80% of its existing 2020 oil production at an average price of $57.79/barrel
- G&A expense decreased by 19% in the first quarter of 2020 compared to the prior year quarter due to lower payroll and related costs due to employee terminations at the end of 2019 and management's continued efforts to reduce G&A costs throughout the Company
- Average netback including commodity contracts for the first quarter of 2020 was $24.10, a decrease of 6% from the prior year first quarter due to lower prices in 2020
- Adjusted funds flow was $2.0 million in the first quarter of 2020 compared to $2.6 million in the first quarter of 2019. The decrease was mainly due to a decrease in revenue due to lower production and lower average prices
- Revenue, net of royalties was $3.1 million in the first quarter of 2020 compared to $4.6 million for first quarter of 2019, a decrease of 33%, as average prices decreased 18% and average production decreased 19% between the quarters
- Due to the significant decline in commodity prices and the global impact on demand from the COVID-19 pandemic, the Company performed a PP&E impairment test at March 31, 2020. The impairment test resulted in an impairment of PP&E which totaled $71.9 million for the first quarter of 2020. In accordance with IFRS, an impairment loss can generally be reversed in future periods if there is an indication that a previously recognized impairment loss has reversed because of a change in the estimates used to determine the impairment loss and the recoverable amount of the impaired asset subsequently increases.
- Net loss for the first quarter of 2020 was approximately $66.5 million compared to a net loss of $1.5 million for the first quarter of 2019 due to the PP&E impairment of $71.9 million in the first quarter of 2020
- The Company had an outstanding balance of $26.5 million on its credit facility at March 31, 2020 after paying down $1.0 million during the first quarter of 2020. In April 2020, the credit facility was redetermined at a borrowing base of $23.5 million and the Company made an additional principal payment of $3.0 million on the commitment amount

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

"Due to the Company's strong hedge position in 2020, we are forecasting positive adjusted funds flow for the remainder of the year no matter how low oil prices go. For the rest of 2020, the Company has commodity contracts in place for almost 80% of its existing 2020 oil production at an average price of $57.79/barrel. Our hedges and the low decline rate on our existing wells are allowing us to continue to generate positive cash flow from our operations.

In April 2020, BOK redetermined our credit facility and we made a principal payment of $3.0 million to reduce our outstanding loan balance to $23.5 million. In addition, we will make additional principal payments of $2.5 million through November 2020 that is forecast to be funded by cash on hand and our anticipated positive adjusted funds flow. We are not expecting another redetermination on our credit facility until the fourth quarter of 2020.

The Company's adjusted funds flow was $2.0 million for the first quarter of 2020 compared to $2.6 million in the first quarter of 2019. The decrease was mainly due to lower production and lower average prices partially offset by a realized gain from commodity contracts.

The Company's G&A expenses decreased by 19% due to lower payroll and related costs due to employee terminations at the end of 2019 and management's continued efforts to reduce G&A costs throughout the Company.

Net revenue decreased by 33% in the first quarter of 2020 as production decreased by 19% and average prices decreased by 18% compared to the prior year quarter.

Average netbacks for the first quarter of 2020 were $20.75 per boe compared to $26.79 per boe in the prior year quarter. Netback including commodity contracts were $24.10 per BOE for the first quarter of 2020 compared to $25.52 per BOE in the prior year quarter, a decrease of 6% due to lower prices.

Due to industry and market conditions, especially the significant decline in commodity prices and the global impact on demand from the COVID-19 pandemic, the Company performed a PP&E impairment test at March 31, 2020. The impairment test resulted in an impairment of PP&E which totaled $71.9 million for the first quarter of 2020. In accordance with IFRS, an impairment loss can generally be reversed in future periods if there is an indication that a previously recognized impairment loss has reversed because of a change in the estimates used to determine the impairment loss and the recoverable amount of the impaired asset subsequently increases.

In the first quarter of 2020, the Company incurred a net loss of $66.5 million compared to a net loss of $1.5 million in the first quarter of 2019. This is due to an impairment of property, plant and equipment of $71.9 million in the first quarter of 2020."

	1st Qtr 2020	1st Qtr 2019	%
Net loss:			
$ Thousands	($66,492)	($1,477)	-
$ per common share assuming dilution	$(0.29)	($0.01)	-
Capital Expenditures	$-	$752	(100)
Average production per day (Boepd)	1,225	1,513	2
Average price per boe	$35.15	$42.76	(13)
Netback from operations	$20.75	$26.79	(15)
Netback including commodity contracts	$24.10	$25.52	(10)

	3/31/2020	12/31/2019
Cash and Cash Equivalents	$ 3,745	$ 3,089
Working Capital	$(1,572)	$ (2,482)

First Quarter 2020 versus First Quarter 2019

Oil and gas gross revenues totaled $3,918,000 in the quarter versus $5,823,000 in the first quarter of 2019. Oil revenues decreased $1,829,000 or 35% as oil prices decreased by $7.71 per barrel or 15% and oil production decreased by 24% to 842 bopd. Natural gas revenues decreased $116,000, or 38%, to $189,000 as average natural gas prices decreased by 40% to $1.95/mcf which was partially offset by a natural gas production increase of 3% to 1,067 mcfpd. Natural gas liquids (NGLs) revenues increased $40,000, or 16%, as NGL prices increased 27% to $15.43 which was partially offset by a production decrease of 10% to 205 boepd.

Average production for the first quarter of 2020 was 1,225 BOEPD, a decrease of 19% compared to the first quarter of 2019 average production of 1,513 BOEPD. This decrease was due to the natural decline of existing wells.

Production and operating expenses decreased to $758,000 from $929,000 in the prior year first quarter and the per boe production and operating costs were $6.80/boe in the first quarter of 2020 compared to $6.82/boe in the first quarter of 2019.

Due to the significant decline in commodity prices and the global impact on demand from the COVID-19 pandemic, the Company performed a PP&E impairment test at March 31, 2020. The impairment test resulted in an impairment of PP&E which totaled $71.9 million for the first quarter of 2020.

Depletion and depreciation expense decreased $309,000 or 19% due to lower production in the first quarter of 2020.

General and administrative expenses decreased $170,000 or 19% due to lower payroll and related costs due to employee terminations at the end of 2019, salary reductions in the first quarter of 2020 and management's continued efforts to reduce G&A costs throughout the Company.

Stock based compensation decreased by $50,000 or 76% due to a stock option grant in 2019.

Finance income increased $5,681,000 in the first quarter of 2020 compared to the prior year quarter primarily due to an unrealized gain on commodity contracts of $5,312,000.

Finance expense decreased $2,033,000 in the first quarter of 2020 compared to the prior year quarter due mainly to unrealized losses on commodity contracts in the first quarter of 2019 of $1,780,000.

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

	March 31 2020	December 31 2019
Current Assets		
Cash	$ 3,745	$ 3,089
Trade and other receivables	1,565	2,198
Deposits and prepaid expenses	384	513
Fair value of commodity contracts	4,128	-
	9,822	5,800
Non-current assets		
Property, plant and equipment	82,126	155,408
Fair value of commodity contracts	834	-
	82,960	155,408
Total Assets	$92,782	$161,208
Current Liabilities		
Trade and other payables	$5,827	$6,424
Current portion of loans and borrowings	5,500	1,500
Lease payable	67	105
Fair value of commodity contracts	-	253
	11,394	8,282
Non-current liabilities		
Loans and borrowings	20,690	25,664
Asset retirement obligations	1,137	1,127
Fair value of commodity contracts	-	97
	21,827	30,687
Equity		
Share capital	289,622	289,622
Contributed surplus	22,943	22,925
Deficit	(253,004)	(186,512)
Total Equity	59,561	126,035
Total Equity and Liabilities	$92,782	$161,208

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)

	Three months ended March 31,	
($000's)	**2020**	**2019**
Oil and gas revenue net of royalties	$3,071	$4,577
Other income	1	1
	3,072	4,578
Production and operating expenses	758	929
Depletion and depreciation	1,360	1,669
General and administrative expenses	737	907
Share based compensation	16	66
Impairment of property, plant & equipment	71,923	-
	$74,794	$3,571
Finance Income	5,686	5
Finance Expense	(456)	(2,489)
Net loss	(66,492)	(1,477)
Net loss per share	$(0.29)	$(0.01)

BNK PETROLEUM INC.

FIRST QUARTER 2020

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

	Quarter Ending March 31,	
	2020	**2019**
Oil revenue before royalties	$3,441	$5,270
Natural gas revenue before royalties	189	305
NGL revenue before royalties	288	248
Oil and Gas revenue before royalties	3,918	5,823
Adjusted funds flow	1,952	2,574
Capital expenditures	-	(752)
Statistics:		
Average oil production (Bopd)	842	1,113
Average natural gas production (mcf/d)	1,067	1,039
Average NGL production (Boepd)	205	227
Average production (Boepd)	1,225	1,513
Average oil price ($/bbl)	$ 44.88	$ 52.59
Average natural gas price ($/mcf)	1.95	3.26
Average NGL price ($/bbl)	15.43	12.16
Average price per barrel	$ 35.15	$ 42.76
Royalties per barrel	7.60	9.15
Operating expenses per barrel	6.80	6.82
Netback from operations	20.75	26.79
Price adjustment from commodity contracts (Boe)	3.35	(1.27)
Netback including commodity contracts (Boe)	$ 24.10	$ 25.52

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, 2020 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, netback including commodity contracts, net operating income and adjusted funds flow (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, projected adjusted funds flow, the Company's reserves based loan facility, including scheduled repayments, 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.

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 and on the OTCQX under the stock symbol BNKPF.

For further information, contact:
Wolf E. Regener, President and Chief Executive Officer +1 (805) 484-3613
Email: investorrelations@bnkpetroleum.com
Website: www.bnkpetroleum.com