



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

TSX ticker symbol; BKK

*For Immediate Release*

## **BNK PETROLEUM INC. PROVIDES DRILLING UPDATES**

**CAMARILLO CALIFORNIA, August 6, 2012** – BNK Petroleum Inc. (the “**Company**”) (TSX: BKK) announced today that the Gapowo B-1 well, on the Bytow Concession in Poland held by its 100% owned subsidiary, Indiana Investments Sp. z o.o. (“Indiana”), has been drilled to a depth of approximately 4,300 meters. Two separate concession modifications were applied for and approved to deepen and allow the Silurian, Ordovician and Cambrian Alum shales to be accessed in both the Gapowo B-1 and the Miszewo T-1 wells.

During the drilling and coring of the Gapowo B-1 well, over pressured shales were encountered in the Lower Silurian and Ordovician. Substantially higher gas readings were regularly recorded in the target intervals than those in the previously drilled wells on the Company’s Saponis concessions. The average total gas readings were over 20 times higher and maximum total gas readings were over 45 times higher than those seen in the Lebork S-1 well. These higher gas shows occurred despite the significantly higher-weight drilling muds used in the Gapowo B-1 well and the related slower rates of penetration. The Company is in the process of obtaining approval to re-enter and drill a horizontal well from this wellbore as early as possible.

The geologic data gathered to date validates the Company’s previously disclosed geologic model. At the Gapowo B-1 location, the Ordovician shale increased to 45 gross meters from the 27 gross meters in the Lebork S-1 well. In addition, based on the data received to date, the Company believes that the most prospective shale intervals in the Lower Silurian are between 40 to 75 gross meters thick, out of 120 meters of Lower Silurian that had significant gas shows. This is in contrast to the Lebork S-1 well where within the Lower Silurian, the Company only considers a few meters to be prospective. The Lower Silurian, in the Gapowo B-1 location, also appears to have higher total organic carbon (“TOC”) than that encountered in the Company’s previously drilled wells. The higher estimated TOC is based on the very strong gas shows, mud log descriptions and core gamma visual core inspection. The shales in both the Silurian and the Ordovician are described by the mud loggers as visually dark black, friable shale and occur over the same intervals that generated the large gas readings. These are better and darker descriptions than in any of the other wells that BNK has drilled in the Baltic Basin.

After reaching its TD, difficulty was encountered in obtaining wireline logs over the potential interval due to over pressured, heaving shales within the target intervals, causing large borehole washouts. As a result of these large borehole washouts, logging while drilling tools (LWD) were substituted and the data capture was reduced. These washed out intervals are the same shales that are described by the mud logger as being dark black and also correspond to the intervals that gave the very large gas readings. Fortunately, 177 meters of whole core were obtained over the Lower Silurian, Ordovician and Cambrian intervals which will provide additional

necessary data moving forward. Processing is underway on the whole core, which will undergo the comprehensive suite of core analyses.

The Gapowo B-1 well is currently suspended awaiting the re-entry and the drilling rig is currently in the process of mobilizing to the Miszewo T-1 well. Deepening operations to access the target intervals in the Miszewo T-1 well are anticipated to begin in about 2 weeks. The Company has scheduled to re-enter and complete the Gapowo B-1 well after receipt of the full concession modification approval that allows the drilling of horizontal wells.

#### Oklahoma

The Company-operated horizontal Barnes 6-2H well in Oklahoma, targeting the Lower Caney and Upper Sycamore (Mississippian Lime equivalent) formations, is currently drilling the horizontal portion of the lateral. Good oil and gas shows have been encountered and the Company is anticipating testing the well in September, after fracture stimulating. This test is based on the results of the vertical Caney/Upper Sycamore test previously announced which has continued to produce 100% oil.

#### **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 Company's current plans and expectations in regard to the Gapowo B-1 well including its expectations regarding prospective shales, the Miszewo T-1 well, the Lebork S-1 well and the Caney well, including as to timing of fracture stimulation and other well operations, expected outcomes of exploration programs on its Indiana concessions and the Saponis concessions in which it has an indirect interest, and expected timing of completion and results of data processing. Forward-looking information is based on plans and estimates of management and interpretations of early exploration information by the Company's exploration team at the date the information is provided and is subject to several factors and assumptions of management, including that the indications of early results are reasonably accurate predictors of the prospectiveness of the shale intervals, that required regulatory approvals will be available when required and on terms that are acceptable to the Company, that no unforeseen delays, unexpected geological or other effects, equipment failures, permitting delays, labor or contract disputes are encountered, that the Company's financial condition and 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, 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 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, 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, 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. These risks as well as the other risks and uncertainties applicable to exploration 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](http://www.sedar.com). 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, Poland, Spain 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.*

**For further information, contact:**

Wolf E. Regener      +1 (805) 484-3613  
Email: [investorrelations@bnkpetroleum.com](mailto:investorrelations@bnkpetroleum.com)  
Website: [www.bnkpetroleum.com](http://www.bnkpetroleum.com)