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For Immediate Release

BNK Petroleum Inc. Announces 4th Quarter and Annual 2013 results

All amounts are in U.S. Dollars unless otherwise indicated:

	Fourth Quarter			Year Ended		
	2013	2012	%	2013	2012	%
Earnings (Loss):						
$ Thousands	$(11,016)	$(4,538)	-	$(19,710)	$(14,948)	-
$ per common share assuming dilution	$(0.08)	$(0.03)	-	$(0.14)	$(0.10)	-
Capital Expenditures	$36,502	$4,945	638%	$81,772	$40,537	102%
Average Production (Boepd)	877	1,681	(48%)	776	1,581	(51%)
Gross Revenue	5,678	5,184	10%	13,995	20,028	(30%)
Average Product Price per Barrel	$70.39	$33.52	110%	$49.39	$34.61	43%
Average Netback per Barrel	$50.65	$17.83	184%	$30.81	$17.75	74%

	12/31/2013	12/31/2012
Cash, Cash Equivalents and Marketable Securities	$42,215	$2,836
Working Capital	$18,854	$472

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

"I feel we have made excellent progress this last year on both our U.S. and European projects. In our 2013 Tishomingo Field, Caney formation drilling program, our efforts were focused on reducing drilling time and cost, testing the optimal lateral placement within the formation and optimizing the fracture stimulations resulting in increasing the oil rate of each consecutive well. These goals were achieved. The last two wells that we drilled and completed in 2013, the Barnes 7-2H and the Wiggins 12-8H, have been our best performing wells to date, demonstrating lower decline rates along with higher percentages of oil in the production mix. The Barnes 7-2H well, which still has 15% of the lateral left to fracture stimulate, had a 60 day initial production rate of 360 barrels of oil per day (bopd) (469 barrels of oil equivalent per day (boepd)) and the Wiggins 12-8H well, where only approximately half the length of the lateral was effectively stimulated was 273 bopd (402 boepd). These two wells were the first to be drilled in the lower Caney interval rather than the Transition zone which was targeted in the first three wells. The Company's fourth quarter average production was 877 boepd and our December average production was approximately 1,050 boepd.

"The 2013 year end reserves report confirmed the Company's belief in the potential for the Caney as the Company's proved and probable ("2P") gross reserves were estimated at approximately 15.5 million boe, while the proved, probable and possible ("3P") gross reserves were estimated at approximately 40.9 million boe. The net present value of Future Net Revenue before tax, discounted at 10% was $286 million for the 2P reserves and $847 million for the 3P reserves.

"We look forward to starting our 2014 drilling program in the second quarter after we obtain the final data from the Barnes 7-2 whole core analysis. Fracture stimulation operations are expected to begin at the end of this month on the first of the two lateral Caney wellbores that were not yet fully fracture stimulated (the remaining 15% of the Barnes 7-2H well and the Leila 31-2H well). In addition, work on the locations and surface casing installation for the next two Caney wells has already commenced and is expected to be finalized in the coming weeks.

"In less than 8 months after selling substantially all of our producing assets we were able to replace all of our revenue as our fourth quarter 2013 revenues exceeded 2012 fourth quarter revenues by over $400,000. Our cash flow from operations for the fourth quarter 2013 was $2.3 million, which is $1.5 million more than our 2012 fourth quarter operating cash flow. In addition, our Caney netbacks for the fourth quarter 2013 averaged $50.65 per barrel, a 184% increase over the netbacks from the Woodford production in the fourth quarter of last year, which averaged $17.83 per barrel.

"In Poland, the Company successfully drilled, cased and cemented the Gapowo B-1 well in its Bytow concession. We are encouraged by the high gas shows encountered in the 5,900 feet of lateral and we look forward to fracture stimulating the first thirty percent of the available length. After this portion of the well has been tested we will design the stimulation for the rest of the lateral, incorporating what we learn from the first stimulation.

"The fracture stimulation design for the first portion of the Gapowo B-1 well has been finalized, subcontractors have been selected and location work is underway. We expect to commence fracture stimulation of this well as soon as the location work is complete.

"In 2013, Saponis Investments Sp. z o.o ("**Saponis**") decided to relinquish the Slawno and Starogard concessions, while retaining the Slupsk concession. In December 2013, the Company increased its ownership in Saponis to 57.04%, up from 26.7%. This triggered an impairment test of the Company's Saponis interest under IFRS rules and the resulting impairment plus the writedown of the two concessions contributed to the Company recording a $7.5 million loss from equity investments. However, the Company believes its interest in Saponis is more valuable now than prior to these events due to its increased interest in the more prospective Slupsk concession.

"The Company incurred an $11.0 million loss in the fourth quarter of 2013, which includes the nonrecurring $7.5 million Saponis equity investment loss and a $1.7 million write-off of the Darlowo lease in Poland, versus a loss of $4.5 million in the fourth quarter of 2012.

“For the 2013 year the Company incurred a loss of $19.7 million versus a loss of $14.9 million in 2012. Oil and gas revenues declined $4.9 million, or 30%, due to a decrease in average production per day due to the sale by the Company in April 2013 of all of its rights in the Woodford and other formations in the Tishomingo Field (the "**Woodford Sale**"), which was offset by production from our subsequently drilled Caney wells and an increase in average pricing per barrel.

“The Company recorded a gain of $9.5 million on the Woodford Sale, and used a portion of the proceeds to pay down its debt from $41 million to $100,000. Offsetting this gain was $3.5 million related to the amortization of deferred financing costs, a pre-payment penalty of $2.5 million and a $2.5 million payment to settle all of our financial commodity contracts.”

FOURTH QUARTER HIGHLIGHTS:

- Drilled and fracture stimulated the Barnes 7-2H and Wiggins 12-8H wells in the Caney formation in the Tishomingo Field
- Received required EIA and concession modification to drill Gapowo B-1 well lateral in Poland
- In January 2014, completed the drilling and ran casing on the Gapowo B-1 well, which is expected to be fracture stimulated in the second quarter of 2014
- Oil and gas revenues were $4.6 million, which exceeded the prior year quarter for the first time since the Woodford Sale
- Cash flow from operating activities was $2.3 million compared to prior year operating cash flows of $0.8 million
- Netbacks were $50.65 per barrel compared to $17.83 in the prior year fourth quarter
- Production continued increasing, post Woodford Sale, and averaged 877 BOEPD in the quarter
- G&A decreased by $1.0 million due to cost cutting efforts including reductions in staff and lower costs in Europe
- Loss of $11.0 million in the fourth quarter of 2013 versus loss of $4.5 million in the third quarter of 2012 due to a loss from investments in joint ventures of $7.4 million in 2013
- At quarter end, cash and marketable securities totaled $42.2 million and working capital was $18.9 million

Fourth Quarter 2013 to Fourth Quarter 2012

Oil and gas revenues net of royalties totaled $4,613,000 in the quarter versus $4,212,000 in the fourth quarter of 2012. Oil revenues were $4,716,000 in the quarter versus $1,822,000 in the fourth quarter of 2012, an increase of 159% as production increased 118% to an average of 533 barrels per day due to the production mix from the Caney wells while average oil prices increased 19% or $15.20 a barrel. Natural gas revenues declined $1,008,000 or 79% as natural gas production decreased to 690 mcfd due to the Woodford Sale and the production mix of the Caney wells while average natural gas prices per mcf increased 3%. NGL revenue declined $1,391,000 or 67% to $690,000 as average production decreased 73% to 197 boepd as a result of the Woodford Sale and the production mix from the Caney wells while average NGL prices increased 22% to $38.03 a barrel.

Other income decreased $735,000 to $163,000 as fourth quarter 2012 results included gains from eliminating asset retirement obligations for wells no longer owned by the Company.

Exploration and evaluation expenses increased $859,000 between quarters due to the 2013 write-off of the Darlowo well in Poland.

Production and operating expenses declined $925,000 between quarters due to the Woodford Sale.

Depletion and depreciation expense decreased $189,000 between quarters due to decreased production and depletion base and lower production as a result of the Woodford Sale.

General and administrative expenses decreased $954,000 between quarters primarily due to lower payroll and related costs and lower professional fees incurred in Europe relating to legal, accounting, and management fees which were partially offset by higher director fees incurred in 2013.

Stock based compensation increased $524,000 between quarters due to a grant of stock options in the fourth quarter of 2013.

Finance income decreased $344,000 due to realized gains on financial commodity contracts in 2012. Finance expense decreased $774,000 primarily due to interest on loans and borrowings of $384,000 in 2012 and unrealized losses on financial commodity contracts in 2012.

Capital expenditures of $36,502,000 were incurred in the fourth quarter of 2013, almost all of which was spent in Oklahoma.

YEAR ENDED 2013 HIGHLIGHTS

- Drilled and fracture stimulated the first five wells in the Caney formation in the Tishomingo field
- Closed the Woodford Sale in April 2013 for $146.4 million
- Paid down the Company's credit facility from $41 million to $100,000 in connection with the Woodford Sale
- Settled all the financial derivative contracts in April 2013 in connection with the Woodford Sale and incurred a realized loss of $2.5 million
- Capital expenditures increased $40.7 million or 99% to $81.8 million primarily due to the 2013 drilling program in Oklahoma which totaled $78.1 million for the year ended 2013. The 2012 capital expenditures amount included $28 million of capital expenditures for exploration and evaluation assets, mainly in Poland
- G&A expenses decreased by $2.9 million primarily due to staff reductions and lower costs in Europe
- Average production decreased 51% between comparative years due to the Woodford Sale, which was partially offset by production from the new Caney wells
- A net loss of $19.7 million was incurred in the year ended 2013 versus a loss of $14.9 million in in 2012 partially due to a loss from investments in joint ventures of $7.5 million in 2013 and the $1.7 million write-off of the Polish Darlowo concession

Year Ended 2013 to Year Ended 2012

Oil and natural gas revenues net of royalties declined $4,902,000 or 30% to $11,371,000. Oil revenues before royalties increased $624,000 to $9,149,000 due to a 2% increase in production due to the production mix from the Caney wells and a 6% increase in prices between years. Natural gas revenues before royalties declined $2,086,000 or 54% due to a 62% decline in average production due to the Woodford Sale and production mix from the Caney wells, partially offset by a 23% increase in natural gas prices per mcf. NGL revenue before royalties declined $4,574,000 or 60% to $3,054,000 due to a 60% decline in average production per day due to the Woodford Sale and the production mix from the Caney wells.

Other income decreased due to 2012 gains from eliminating asset retirement obligations for wells no longer owned by the Company.

Exploration and evaluation expenses increased $606,000 due to the write-off of the Darlowo concession in Poland.

Production and operating expenses decreased 56% to $2,641,000 as average production decreased 51% due to the Woodford Sale.

Depletion and depreciation expense decreased $2,288,000 primarily due to decreased production and depletion base and lower production as a result of the Woodford Sale.

General and administrative expenses decreased $2,935,000 primarily due to lower payroll and related costs, lower professional fees incurred in Europe relating to legal, accounting, management fees and lower travel costs partially offset by higher director fees in 2013.

Finance Income decreased $1.5 million due to realized gains on financial commodity contracts and unrealized gains on warrant revaluations in 2012. Finance expense increased $7.6 million primarily due to a $7.5 million charge related to interest on loans and borrowings which included $3.5 million for the amortization of deferred financings costs and $2.5 million of pre-payment penalties related to the loan paydown along with a realized loss on financial commodity contracts of $2.5 million as these contracts were all settled in April 2013.

At December 31, 2013, cash and marketable securities increased by $39,379,000 from December 31, 2012, primarily due to the Woodford Sale offset by the 2013 capital expenditures.

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

	December 31, 2013	December 31, 2012
Current assets		
Cash and cash equivalents	$ 17,159	$ 2,836
Investments in marketable securities	25,056	-
Trade and other receivables	7,268	11,363
Deposits and prepaid expenses	1,243	2,334
Fair value of commodity contracts	-	779
	50,726	17,312
Non-current assets		
Long-term receivables	433	1,297
Investments in joint ventures	2,787	10,114
Property, plant and equipment	94,663	156,549
Exploration and evaluation assets	36,194	33,590
	134,077	201,550
Total assets	$ 184,803	$ 218,862
Current liabilities		
Trade and other payables	$ 31,872	$ 16,840
Loans and borrowings	-	31,797
	31,872	48,637
Non-current liabilities		
Loans and borrowings	100	-
Fair value of commodity contracts	-	75
Asset retirement obligations	1,192	1,312
Warrants	-	3
	1,292	1,390
Equity		
Share capital	247,782	247,326
Contributed surplus	18,721	16,663
Deficit	(114,864)	(95,154)
Total equity	151,639	168,835
Total equity and liabilities	$ 184,803	$ 218,862

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		Twelve months ended December 31	
	2013	2012	2013	2012
Revenue:				
Oil and natural gas revenue, net	$ 4,613	$ 4,212	$ 11,371	$ 16,273
Gathering income	-	356	331	1,420
Gain on sale of assets	(119)	-	9,499	-
Management fees and other income	163	898	1,124	1,633
	4,657	5,466	22,325	19,236
Expenses:				
Exploration and evaluation	1,937	1,078	1,994	1,388
Production and operating	528	1,453	2,641	6,002
Depletion and depreciation	1,729	1,918	4,786	7,074
General and administrative	3,414	4,368	13,344	16,279
Share based compensation	716	192	1,305	877
Loss from investments in joint ventures	7,439	(101)	7,533	172
Restructuring expenses	-	756	595	1,771
	15,763	9,664	32,198	33,563
Finance income	97	441	166	1,686
Finance expense	(7)	(781)	(10,003)	(2,397)
Net loss and comprehensive loss	$ (11,016)	$ (4,538)	$ (19,710)	$ (14,948)
Net loss per share				
Basic and Diluted	$ (0.08)	$ (0.03)	$ (0.14)	$ (0.10)

BNK PETROLEUM, INC.

FOURTH QUARTER 2013

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

		4th Quarter			
		2013	2012	2013	2012
Oil revenue before royalties	$	4,716	1,822	9,149	8,525
Gas revenue before royalties		273	1,281	1,787	3,873
NGL revenue before royalties		690	2,081	3,054	7,628
Oil and Gas revenue		5,679	5,184	13,990	20,026
Cash flow used by operating activities		2,286	784	(6,656)	(10,153)
Additions to property, plant & equipment		(34,504)	(3,982)	(78,386)	(12,915)
Additions to Exploration and Evaluation Assets		(1,998)	(963)	(3,386)	(27,622)

Statistics:

	4th Quarter			
	2013	2012	2013	2012
Average natural gas production (mcf/d)	879	4,240	1,504	3,981
Average NGL production (Boepd)	197	729	264	660
Average Oil production (Bopd)	533	245	261	257
Average production (Boepd)	877	1,681	776	1,581
Average natural gas price ($/mcf)	$3.38	$3.28	$3.26	$2.66
Average NGL price ($/bbl)	$38.03	$31.02	$31.69	$31.58
Average oil price ($/bbl)	$96.13	$80.93	$95.93	$90.59
Average price per barrel	$70.39	$33.52	$49.39	$34.61
Royalties per barrel	13.20	6.29	9.26	6.49
Operating expenses per barrel	6.54	9.40	9.32	10.37
Netback per barrel	$50.65	$17.83	$30.81	$17.75

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, 2013 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. Management of the Company believes that such measures are relevant for evaluating returns on each of the Company's projects as well as the performance of the enterprise as a whole. The Company's Non-GAAP Measures may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to similar non-GAAP measures as reported by such organizations. The Company's Non-GAAP Measures should not be construed as alternatives to net income, cash flows related to operating activities, or other financial measures determined in accordance with GAAP, as an indicator of the Company's performance.

Netback per barrel and its components are calculated by dividing revenue less royalties and operating expenses by the Company's sales volume during the period. Netback per barrel is a non-IFRS measure but it is commonly used by oil and gas companies to illustrate the unit contribution of each barrel produced. This is a useful measure for investors to compare the performance of one entity with another. However, non-IFRS measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures used by other companies.

Net operating income is similarly a non-GAAP measure that represents revenue net of royalties and operating expenses. The Company believes that net operating income is a useful supplemental measure to analyze operating performance and provides an indication of the results generated by the Company's principal business activities prior to the consideration of other income and expenses.

Funds from operations is a non-GAAP measure that represents cash provided by (used in) operating activities, as per the consolidated statements of cash flows, before changes in non-cash working capital. The Company considers this a key measure as it demonstrates its ability to generate the funds necessary for future growth after taking into account the short-term fluctuations in the collection of accounts receivable and the payment for accounts payable.

CAUTIONARY STATEMENTS

(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 Boe 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) This news release contains short-term production rates. Readers are cautioned that such production rates 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, 2013 independent reserves evaluation and other oil and gas information contained in its Amended and Restated Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* for the year ended December 31, 2013, which the Company filed on SEDAR on March 10, 2014.

Caution Regarding Forward-Looking Information

This release contains forward-looking information including information regarding estimates of reserves and future net revenue, the proposed timing and expected results of exploratory and development work including production from the Lower Caney and upper Sycamore formations on the Company's Oklahoma acreage, the effect of design and performance improvements on future productivity, the anticipated timing of commencement and completion of drilling and fracture-stimulations in connection with the Company's Caney drilling program, the advancement of the Company's European projects, including permit and concession applications and approvals, drilling plans and fracture stimulation operations underway on the Company's Gapowo B-1 shale gas well in Poland, planned capital expenditure programs and cost estimates, planned use and sufficiency of cash and marketable securities on hand 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 models 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 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 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), 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 and other shale basins in the United States and Europe, 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 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 identified in the Company's most recent Annual Information Form under the "Risk Factors" section and the Company's other public disclosure, available under the Company's profile on SEDAR at www.sedar.com.

With respect to estimated reserves and future net revenue, 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 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, Poland and Spain. 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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