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For Immediate Release

BNK PETROLEUM INC. ANNOUNCES 4TH QUARTER AND ANNUAL 2014 RESULTS

CAMARILLO CALIFORNIA, March 12, 2015 –
All amounts are in U.S. Dollars unless otherwise indicated:

2014 HIGHLIGHTS

- Revenue, net of royalties, was $22.5 million for year ended 2014, an increase of 98% compared to 2013 due to increased production
- Cash flow from operations was $12.8 million in 2014 compared to negative cash flow from operations of $6.7 million in 2013
- Netbacks for the year 2014 were $51.71, an increase of 68% over 2013 due to the production mix from the oil rich Caney wells drilled at the end of 2013 and in 2014
- Average production for the year was 1,053 BOEPD, an increase of 36% compared to the prior year due to increased production from the Caney wells drilled at the end of 2013 and in 2014 partially offset by the loss of production from the Woodford sale in April 2013
- Capital expenditures were $75.8 million for the year which consisted primarily of the 2014 drilling program in Oklahoma and the Gapowo B-1 well in Poland
- G&A expenses decreased by $2.5 million primarily due to staff reductions and lower costs in Europe
- Completed an equity financing for total net proceeds of approximately $30.8 million
- Closed a $100 million credit facility with Morgan Stanley and borrowed an initial commitment amount of $15.9 million in 2014. Subsequent to year-end, the Company borrowed an additional $8.5 million
- The Company entered into financial derivative transactions with Morgan Stanley as part of the hedging requirements of the $100 million credit facility. These transactions also meet the Company's risk management strategy to manage commodity price fluctuations and stabilize cash flows for future exploration and development programs
- A net loss of $57.5 million was incurred in the year ended 2014 due to $60.3 million in impairment charges from the Company's Polish project. These impairment charges are made up of a $57.3 million impairment of exploration and evaluation assets and an equity impairment of $3.0 million. Excluding the impact of these charges, the Company would have reported net income of $2.8 million for 2014

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

"During 2014, the Company increased production 36% to 1,053 boepd and increased netbacks by 68% to $51.71 despite a slowdown in the industry due to a significant global oil price decline. We made excellent progress in our U.S. Tishomingo field in 2014 which was confirmed by our 2014 year end reserves report for the Caney formation, where our proved ("1P") gross reserves almost tripled and our probable ("2P") gross reserves increased by 141 percent to 37.4 million boe, compared to the 2013 reserves report. The proved, probable and possible ("3P") gross reserves also increased by 72% from the 2013 report to approximately 70.3 million boe. The net present value of Future Net Revenue before tax, discounted at 10%, was $504.5 million for the 2P reserves, an increase of 76% from 2013, and $875 million for the 3P reserves, an increase of 3% from 2013.

"We also increased our cash flow from operations to a positive $12.8 million compared to negative cash flow from operations of $6.7 million in 2013. In addition, gross revenue increased by 98% to $27.7 million compared to 2013.

"The Company accomplished the above by drilling 5 strategically placed wells and fracture stimulating five wells, with one only having 30% of the lateral completed. We expect to complete the remaining portion of the partially completed lateral along with one well that has not been completed beginning in the second quarter of 2015. The Company's existing production is also declining at a slower rate than originally forecast. The Company's fourth quarter average production was 1,280 boepd, an increase of 46% compared to the fourth quarter of 2013 and our exit production rate at December 31, 2014 was approximately 1,400 boepd.

"In 2014, our G&A decreased by 18% ($2.5 million) and subsequent to year end the Company undertook additional cost reduction measures and further streamlined operations which will result in a further reduction to ongoing G&A costs.

"During the year, we were successful in completing both a debt and equity financing. Our equity financing, which was completed in the first half of the year, generated net proceeds of $30.8 million. After closing our $100 million credit facility with Morgan Stanley in July 2014, we borrowed $15.9 million to fund our 2014 U.S. drilling program. In February 2015, we received an additional $8.5 million under the facility.

"In Poland, the Company completed a reservoir analysis of the Gapowo B-1A horizontal well on the Bytow concession. A numerical model was prepared which showed encouraging results of simulated flow rates and recoveries that would be achieved if another well is drilled in the Ordovician shale with a full-length successful fracture stimulation. Due to the difficult oil and gas price environment we are currently in, the Company has determined that it will give up its interest in the Trzebielino and Bytow concessions and will concentrate its effort on the Slupsk concession owned by Saponis, where the Ordovician shale is not as deep as the Bytow and Trzebielino concessions. The Company is continuing its search for a potential joint interest partner for this concession so that a well can be drilled and tested. The Company is in the final stages of acquiring the remaining 42.96% of Saponis from the Company's remaining partner in Saponis for no consideration and we expect to complete this acquisition by the end of March."

	Fourth Quarter 2014	Fourth Quarter 2013	%	Year Ended 2014	Year Ended 2013	%
Net Loss:						
$ Thousands	$(57,628)	$(11,016)	-	$(57,478)	$(19,710)	-
$ per common share assuming dilution	$(0.36)	$(0.08)	-	$(0.36)	$(0.14)	-
Capital Expenditures	$18,027	$36,502	(51%)	$75,773	$81,772	(7%)
Average Production (Boepd)	1,280	877	46%	1,053	776	36%
Gross Revenue	6,811	5,678	20%	27,694	13,995	98%
Average Product Price per Barrel	$57.82	$70.39	(18%)	$72.05	$49.39	46%
Average Netback per Barrel	$41.60	$50.65	(18%)	$51.71	$30.81	68%

	12/31/2014	12/31/2013
Cash, Cash Equivalents and Marketable Securities	$12,035	$42,215
Adjusted Working Capital (excludes debt)	$663	$18,854

Year Ended 2014 to Year Ended 2013

For 2014, oil and natural gas revenues net of royalties increased $11,132,000 or 98% to $22,501,000. Oil revenues before royalties increased by 166% to $24,398,000 due to a 183% increase in production due to the production mix from the Caney wells partially offset by a 6% decrease in prices between years. Natural gas revenues before royalties declined $305,000 or 17% due to a 35% decline in average production due to the Woodford Sale and production mix from the Caney wells, partially offset by a 28% increase in natural gas prices per mcf. NGL revenue before royalties declined $1,243,000 or 41% to $1,811,000 due to a 43% decline in average production per day due to the Woodford Sale and the production mix from the Caney wells.

Other income decreased due to lower management fees in 2014 due to the increase in the Company's ownership interest in the Saponis equity investment.

Exploration and evaluation expenses increased $55,480,000 due to the impairment recorded on the Bytow and Trzebielino concessions in Poland.

Depletion and depreciation expense increased $2,750,000 primarily due to the increased production and depletion base.

General and administrative expenses decreased $2,457,000 primarily due to lower payroll and related costs, lower professional fees incurred in Europe relating to legal, accounting and management fees and lower travel costs. The Company has implemented cost cutting measures in 2015 which are intended to further reduce general and administrative expenses.

Loss from investments in joint ventures was $3,933,000 in 2014 due to an impairment recorded by Saponis for the Slupsk concession. In 2013, the loss from investments in joint ventures was $7,533,000 due to an exploration and evaluation impairment and the write-off of the Slawno and Starogard concessions.

Finance Income increased $4,106,000 due to realized and unrealized gains on risk management contracts in 2014. Finance expense decreased $9,493,000 primarily due to a $7,527,000 charge related to interest on loans and borrowings which included $3,500,000 for the amortization of deferred financings costs and $2,500,000 of pre-payment penalties related to the loan paydown along with a realized loss on financial commodity contracts of $2,463,000 as these contracts were all settled in April 2013.

Capital expenditures of $75,773,000 were incurred in 2014 primarily due to the 2014 drilling program in Oklahoma and the Gapowo B-1 well in Poland.

FOURTH QUARTER HIGHLIGHTS:

- Revenue, net of royalties, was $5.5 million for fourth quarter 2014, an increase of 20% compared to the fourth quarter 2013 due to increased production partially offset by price decreases
- Cash flow from operations was $4.6 million in the fourth quarter of 2014 compared to $2.3 million in prior year fourth quarter
- Netbacks for the fourth quarter of 2014 were $41.60, a decrease of 18% over fourth quarter 2013 due to price decreases
- Average production for the quarter was 1,280 BOEPD, an increase of 46% compared to the prior year fourth quarter due to increased production from the Caney wells drilled in 2014
- G&A decreased by $1.5 million due to cost cutting efforts including reductions in staff and lower costs in Europe
- Capital expenditures decreased $18.5 million or 51% to $18.0 million primarily due to the increased activity in the prior year Oklahoma drilling program compared to 2014
- A net loss of $57.7 million was incurred in the fourth quarter 2014 due to a $57.3 million impairment of exploration and evaluation assets and an equity impairment of $3.0 million. Excluding the impact of these charges, the Company would have reported net income of $2.6 million for the fourth quarter of 2014

Fourth Quarter 2014 to Fourth Quarter 2013

Oil and gas revenues net of royalties totaled $5,534,000 in the quarter versus $4,613,000 in the fourth quarter of 2013. Oil revenues were $6,035,000 in the quarter versus $4,716,000 in the fourth quarter of 2013, an increase of 28% as production increased 71% to an average of 910 barrels per day due to the production mix from the Caney wells while average oil prices decreased 25% or $24.02 a barrel. Natural gas revenues increased $111,000 or 41% as natural gas production increased to 384 mcfd due to the Caney wells drilled in 2014 while average natural gas prices per mcf increased 4%. NGL revenue declined $300,000 or 43% to $390,000 as average production decreased 12% to 173 boepd as a result of production mix from the new Caney wells while average NGL prices decreased 35% to $24.55 a barrel.

Exploration and evaluation expenses increased $55,389,000 between quarters due to the impairment recorded on the Bytow and Trzebielino concessions in Poland.

Production and operating expenses increased $106,000 between quarters due to the additional wells added in 2014.

Depletion and depreciation expense increased $229,000 between quarters due to increased production and depletion base.

General and administrative expenses decreased $1,484,000 between quarters primarily due to lower payroll and related costs, lower professional fees incurred in Europe relating to legal, accounting and management fees and lower travel costs.

Finance income increased $2,994,000 due to realized and unrealized gains on risk management contracts in 2014. Finance expense increased $356,000 primarily due to interest on loans and borrowings in 2014.

Capital expenditures of $18,027,000 were incurred in the fourth quarter of 2014, almost all of which was spent in Oklahoma.

BNK PETROLEUM INC.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited, Expressed in Thousands of United States Dollars)

	December 31, 2014	December 31, 2013
Current assets		
Cash and cash equivalents	$ 12,035	$ 17,159
Investments in marketable securities	-	25,056
Trade and other receivables	3,938	7,268
Deposits and prepaid expenses	1,304	1,243
Fair value of commodity contracts	2,037	-
	19,314	50,726
Non-current assets		
Long-term receivables	-	433
Investments in joint ventures	-	2,787
Fair value of commodity contracts	1,248	
Property, plant and equipment	134,942	94,663
Exploration and evaluation assets	7,925	36,194
	144,115	134,077
Total assets	$ 163,429	$ 184,803
Current liabilities		
Trade and other payables	$ 18,651	$ 31,872
Loans and borrowings	15,401	-
	34,052	31,872
Non-current liabilities		
Loans and borrowings	-	100
Asset retirement obligations	1,355	1,192
	1,355	1,292
Equity		
Share capital	279,859	247,782
Contributed surplus	20,505	18,721
Deficit	(172,342)	(114,864)
Total equity	128,022	151,639
Total equity and liabilities	$ 163,429	$ 184,803

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	
	2014	2013	2014	2013
Revenue:				
Oil and natural gas revenue, net	$ 5,534	$ 4,613	$ 22,501	$ 11,371
Gathering income	-	-	-	331
Gain on sale of assets	-	(119)	-	9,499
Management fees and other income	444	163	763	1,124
	5,978	4,657	23,264	22,325
Expenses:				
Exploration and evaluation	57,326	1,937	57,474	1,994
Production and operating	634	528	2,626	2,641
Depletion and depreciation	1,958	1,729	7,536	4,786
General and administrative	1,930	3,414	10,887	13,344
Share based compensation	480	716	1,610	1,305
Loss from investments in joint ventures	4,006	7,439	3,933	7,533
Restructuring expenses	-	-	438	595
	66,334	15,763	84,504	32,198
Finance income	3,901	97	4,272	166
Finance expense	(363)	(7)	(510)	(10,003)
Net loss and comprehensive loss	$ (57,628)	$ (11,016)	$ (57,478)	$ (19,710)
Net loss per share				
Basic and Diluted	$ (0.36)	$ (0.08)	$ (0.36)	$ (0.14)

BNK PETROLEUM, INC.

FOURTH QUARTER AND YEAR ENDED 2014

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

		4th Quarter		Year Ended Dec. 31	
		2014	2013	2014	2013
Oil revenue before royalties	$	6,035	4,716	24,398	9,149
Gas revenue before royalties		384	273	1,482	1,787
NGL revenue before royalties		390	690	1,811	3,054
Oil and Gas revenue		6,809	5,679	27,691	13,990
Cash flow used by operating activities		4,565	2,286	12,750	(6,656)
Additions to property, plant & equipment		(16,715)	(34,504)	(46,839)	(78,386)
Additions to Exploration and Evaluation Assets		(1,312)	(1,998)	(28,934)	(3,386)

Statistics:

	4th Quarter		Year Ended Dec. 31	
	2014	2013	2014	2013
Average Oil production (Bopd)	910	533	739	261
Average natural gas production (mcf/d)	1,182	879	975	1,504
Average NGL production (Boepd)	173	197	151	264
Average production (Boepd)	1,280	877	1,053	776
Average oil price ($/bbl)	$72.11	$96.13	$90.42	$95.93
Average natural gas price ($/mcf)	$3.53	$3.38	$4.16	$3.26
Average NGL price ($/bbl)	$24.55	$38.03	$32.78	$31.69
Average price per barrel	$57.82	$70.39	$72.05	$49.39
Royalties per barrel	10.84	13.20	13.51	9.26
Operating expenses per barrel	5.38	6.54	6.83	9.32
Netback per barrel	$41.60	$50.65	$51.71	$30.81

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, 2014 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 and the Company's other disclosure may contain 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, 2014 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, 2014, which the Company filed on SEDAR on March 5, 2015.

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 plans for concessions and completion of the acquisition of the remaining interest in Saponis, 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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