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For Immediate Release

BNK PETROLEUM INC. ANNOUNCES 2ND QUARTER 2015 RESULTS

CAMARILLO CALIFORNIA, August 13, 2015 -
All amounts are in U.S. Dollars unless otherwise indicated:

SECOND QUARTER HIGHLIGHTS:

- Average production for the second quarter of 2015 was 1,490 BOEPD, an increase of 49% compared to second quarter 2014 production of 999 BOEPD due to the completion of the Nickel Hill 36-3H well and the remaining portion of the Emery 17-1H well during the second quarter
- General & administrative expenses decreased by 41% and operating expenses on a per barrel basis decreased by 34% for the second quarter of 2015 compared to the second quarter of 2014 due to the Company's global cost cutting efforts initiated at the beginning of the year
- Revenue, net of royalties was $4.0 million for second quarter of 2015 compared to $6.0 million in the second quarter of 2015 due to lower prices in 2015
- Average netbacks were $24.88 per BOE for the quarter, a decrease of 58% compared to the second quarter of 2014 due to lower prices in 2015 partially offset by lower operating costs per barrel. If the realized gains from the commodity contracts are included, the average netbacks for the quarter increase by almost $5/barrel to $29.84 per BOE
- Cash flow from operating activities was $1.6 million for the second quarter of 2015 compared to $2.3 million in the second quarter of 2014
- Cash and working capital totaled $3.7 million and $2.3 million respectively at June 30, 2015
- Capital expenditures decreased by 81% to $4.2 million primarily due to the prior year drilling and completion of the Gapowo well in Poland

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

"Our second quarter production increased to 1,490 BOEPD, an increase of 49% compared to the prior year second quarter, due to the fracture stimulation of the previously drilled Nickel Hill 36-3H well and the remaining stages in the Emery 17-1H well during the quarter. The cost of the completion work on these 2 wells was 40% less than our average 2014 completion costs, even with larger fracture stimulations, due to efficient execution and lower service costs. The Company's existing production continues to perform well and our June 2015 average production was over 1,700 BOEPD.

"Our global cost cutting efforts that were initiated at the beginning of the year led to decreases in general and administrative expense of 41% during the second quarter of 2015 compared to the prior year second quarter. In addition, the Company's per barrel operating costs for the 2015 second quarter were $4.96, a 34% decrease from the 2014 second quarter.

"These costs reductions helped the Company to maintain positive cash flow from operations of $1.6 million for the second quarter of 2015 despite a decrease in average prices of 52% compared to the prior year second quarter. Cash flow from operations in the second quarter of last year were $2.3 million.

"Average netbacks for the second quarter 2015 were $24.88, a decrease of 58% compared to the prior year second quarter due to the 52% average price decrease. If we include the impact of the realized gains from the commodity contracts, our average netbacks for the second quarter would be $29.84, which is a decrease of 49% compared to the 2014 second quarter.

"In the second quarter of 2015, the Company generated a net loss of $3.7 million compared to net income of $199k in the second quarter of 2014. The 2015 net loss included unrealized losses on commodity contracts of $3.1 million as the Company had to mark its commodity contracts to market as oil prices increased throughout the second quarter before falling down to their current levels subsequent to quarter-end.

"Capital expenditures decreased to $4.2 million in the second quarter 2015 due to the prior year drilling and completion of the Gapowo B-1 well in Poland. Capital expenditures in the second quarter of 2014 were $22.7 million."

	Second Quarter			First Six Months		
	2015	2014	%	2015	2014	%
Net Income (Loss):						
$ Thousands	$(3,658)	$199	-	$(4,418)	$449	-
$ per common share assuming dilution	$(0.02)	$0.00	-	$(0.03)	$0.00	-
Capital Expenditures	$4,248	$22,710	(81%)	$8,566	$35,664	(76%)
Average Production (Boepd)	1,490	999	49%	1,369	980	40%
Average Price per Barrel	$39.35	$81.74	(52%)	$38.15	$80.05	(52%)
Average Netback per Barrel	$24.88	$58.85	(58%)	$24.21	$58.16	(58%)
Average Price per Barrel including Commodity Contracts	$44.31	$81.74	(46%)	$44.38	$80.05	(45%)
Average Netback per Barrel including Commodity Contracts	$29.84	$58.85	(49%)	$30.44	$58.16	(48%)

	June 2015	March 2015	December 2014
Cash and Cash Equivalents	$3,748	$6,757	$12,035
Working Capital	$2,310	$6,827	$663

Second Quarter 2015 versus Second Quarter 2014

Oil and gas gross revenues totaled $5,335,000 in the second quarter 2015 versus $7,431,000 in the second quarter of 2014. Oil revenues were $4,519,000 in the quarter versus $6,697,000 in the second quarter of 2014, a decrease of 33% as average oil prices decreased 47% or $47.58 a barrel for the quarter, partially offset by an increase in production of 27%. Natural gas revenues increased $20,000 or 6%, as natural gas production increased 99% which was partially offset by a 47% decrease in average natural gas prices compared to the second quarter of 2014. Natural Gas Liquid (NGL) revenue increased $62,000 or 16% to $461,000 as average production increased 116% which was partially offset by an average NGL price decrease of 47%.

Production and operating expenses decreased $15,000 between quarters. These costs declined from the prior year quarter even though total production increased by 49% and the Company incurred over $30,000 of repair and maintenance costs for heavy flooding in Oklahoma during the second quarter of 2015.

Depletion and depreciation expense increased $312,000 between quarters due to increased production and a higher depletion base due to the Caney wells that were drilled and completed in the last half of 2014 and 2015.

General and administrative expenses decreased $1,241,000 between quarters due to the Company's global cost cutting efforts which reduced employee salary and benefit costs, director fees, legal and professional fees and travel costs.

Finance income increased $362,000 due to realized gains on financial commodity contracts in 2015. Finance expense increased $3,424,000 primarily due to 2015 unrealized loss on financial commodity contracts of $3,084,000 and interest expense of $490,000.

Capital expenditures of $4,248,000 were incurred in the second quarter of 2015 primarily related to completions operations in the U.S. during the quarter.

FIRST SIX MONTHS 2015 HIGHLIGHTS

- Average production was 1,369 BOEPD for the first six months, an increase of 40% compared to the prior year six months production of 980 BOEPD due to the completion of the Nickel Hill 36-3H well and the remaining portion of the Emery 17-1H well during the second quarter of 2015
- General & administrative expenses decreased by 27% and operating expenses on a per barrel basis decreased by 27% for the first six months of 2015 compared to the first six months of 2014 due to the Company's global cost cutting efforts initiated in the first quarter
- Revenue, net of royalties was $7.2 million for first six months of 2015 compared to $11.5 million for the first six months of 2014, a decrease of 37%, due to lower prices in 2015
- Average netbacks were $24.21 per BOE for the first six months of 2015, a decrease of 58% compared to the first six months of 2014 due to lower prices in 2015 partially offset by lower operating costs per barrel. If the realized gains from the commodity contracts are included, the average netbacks for the first six months of 2015 increase by more than $6/barrel to $30.44 per BOE
- Cash flow from operating activities was $2.9 million for the first six months of 2015 compared to $5.3 million in the first six months of 2014 due mainly to lower prices
- Capital expenditures decreased by 76% to $8.6 million primarily due to the prior year drilling and completion of the Gapowo well in Poland
- In February 2015, the Company obtained an additional $8.5 million under the Company's $100 million credit facility to fund the drilling of Caney wells in Oklahoma. Total borrowing under the facility is now at $24.4 million

First Six Months of 2015 versus First Six Months of 2014

Gross oil and gas revenues totaled $9,452,000 in the first six months of 2015 versus $14,200,000 in the first six months of 2014. Oil revenues were $8,119,000 in the first six months versus $12,385,000 in the same period of 2014, a decrease of 34% as average oil prices decreased 49% or $49.31 a barrel which was partially offset by an oil production increase of 30%. Natural gas revenues decreased $19,000 or 3%, due to an average natural gas price decrease of 46% in the first six months of 2015 which was partially offset by an increase in natural gas production of 79%. NGL revenue decreased $463,000, or 43%, due to an average NGL price decrease of 62% in the first six months of 2015, partially offset by an increase in NGL production of 48% in the first six months of 2015.

Other income decreased due to lower management fees compared to the prior year.

Production and operating expenses increased 2% for the first six months of 2015 due to $30,000 of repair and maintenance costs for heavy flooding in Oklahoma during the second quarter of 2015 and an increase in the number of wells which contributed to an increase in production of 40%.

Depletion and depreciation expense increased $338,000 due to increased production and a higher depletion base due to the Caney wells that were drilled and completed in the last half of 2014 and 2015.

General and administrative expenses decreased $1,626,000 primarily due to the Company's global cost cutting efforts which reduced employee salary and benefit costs, director fees, legal and professional fees and travel costs.

Finance income increased $1,242,000 due to realized gains on financial commodity contracts in 2015. Finance expense increased $2,855,000 primarily due to 2015 unrealized loss on financial commodity contracts of $1,912,000 and interest expense of $949,000.

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

	June 30, 2015	December 31, 2014
Current assets		
Cash and cash equivalents	$ 3,748	$ 12,035
Trade and other receivables	3,088	3,938
Deposits and prepaid expenses	1,640	1,304
Fair value of commodity contracts	1,215	2,037
	9,691	19,314
Non-current assets		
Fair value of commodity contracts	158	1,248
Property, plant and equipment	139,475	134,942
Exploration and evaluation assets	8,132	7,925
	147,765	144,115
Total assets	$ 157,456	$ 163,429
Current liabilities		
Trade and other payables	$ 7,381	$ 18,651
Loans and borrowings	-	15,401
	7,381	34,052
Non-current liabilities		
Loans and borrowings	23,893	-
Asset retirement obligations	2,024	1,355
	25,917	1,355
Equity		
Share capital	279,859	279,859
Contributed surplus	21,059	20,505
Deficit	(176,760)	(172,342)
Total equity	124,158	128,022
Total equity and liabilities	$ 157,456	$ 163,429

BNK PETROLEUM INC.

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(Unaudited, expressed in Thousands of United States dollars, except per share amounts)

	Second Quarter		First Six Months	
	2015	2014	2015	2014
Oil and natural gas revenue, net	$ 4,044	6,083	7,235	11,539
Other income	4	3	45	205
	4,048	6,041	7,280	11,744
Exploration and evaluation expenditures	12	36	44	136
Production and operating expenses	672	687	1,244	1,220
Depletion and depreciation	2,198	1,886	4,032	3,694
General and administrative expenses	1,761	3,002	4,306	5,932
Stock based compensation	178	356	358	691
Loss from investments in joint ventures	-	52	-	(239)
Restructuring expenses	-	-	240	-
	4,821	6,019	10,224	11,434
Finance income	693	331	1,558	316
Finance expense	(3,578)	(154)	(3,032)	(177)
Net income (loss) and comprehensive income (loss)	$ (3,658)	199	(4,418)	449
Net income (loss) per share				
Basic and Diluted	$ (0.02)	0.00	(0.03)	0.00

BNK PETROLEUM INC.
SECOND QUARTER 2015
($000 except as noted)

		Second Quarter		First Six Months	
		2015	2014	2015	2014
Oil revenue before royalties	$	4,519	6,697	8,119	12,385
Gas revenue before royalties		355	335	729	748
NGL revenue before royalties		461	399	604	1,067
Oil and Gas revenue		5,335	7,431	9,452	14,200
Cash Flow from operating activities		1,580	2,340	2,862	5,296
Additions to property, plant & equipment		(4,083)	(7,308)	(8,396)	(12,487)
Additions to exploration and evaluation assets		(165)	(15,402)	(170)	(23,177)

Statistics:

	2nd Quarter		First Six Months	
	2015	2014	2015	2014
Average Oil production (Bopd)	914	722	890	686
Average natural gas production (mcf/d)	1,637	822	1,518	846
Average NGL production (Boepd)	303	140	226	153
Average production (Boepd)	1,490	999	1,369	980
Average oil price ($/bbl)	$54.35	$101.93	$50.37	$99.68
Average natural gas price ($/mcf)	$2.38	$4.48	$2.65	$4.89
Average NGL price ($/bbl)	$16.72	$31.28	$14.75	$38.54
Average price per barrel	$39.35	$81.74	$38.15	$80.05
Royalties per barrel	9.51	15.33	8.94	15.01
Operating expenses per barrel	4.96	7.56	5.00	6.88
Netback per barrel	$24.88	$58.85	$24.21	$58.16

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 June 30, 2015 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 per barrel including commodity contracts, 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. Netbacks including Commodity Contracts and its components are calculated by dividing revenue and realized gains from commodity contracts, 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. 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 and should not be used to make comparisons.

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.

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 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 may disclose 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 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, future well stimulations, and expected productivity from future wells, planned capital expenditure programs and cost estimates, availability of funds from the Company’s reserves based loan facility 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 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), 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 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, 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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