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For Immediate Release

BNK PETROLEUM INC. ANNOUNCES THIRD QUARTER 2018 RESULTS WITH POSITIVE NET INCOME

CAMARILLO CALIFORNIA, November 8, 2018 -
All amounts are in U.S. Dollars unless otherwise indicated:

THIRD QUARTER HIGHLIGHTS

- Average production for the third quarter of 2018 increased by 40% to 1,534 BOEPD, compared to third quarter 2017 average production of 1,097 BOEPD. The increase was primarily due to the Glenn 16-2H and WLC 14-1H wells that were part of the Company's 2018 drilling program as well as two wells that came into production in the last few months of 2017 partially offset by 77 BOEPD of prior period adjustments
- Funds from operations increased by 107% to $3.4 million in the third quarter 2018 compared to $1.7 million in the third quarter of 2017. The increase was mainly due to an 40% increase in production combined with a 60% increase in prices partially offset by realized losses from commodity contracts in 2018
- Revenue, net of royalties increased by 136% to $6.8 million in the third quarter of 2018 compared to $2.9 million for third quarter of 2017, as production increased by 40% and average prices increased 60% between the quarters
- Average netback from operations increased by 68% for the third quarter of 2018 to $38.33 per barrel from the prior year third quarter due to higher prices in 2018
- Positive net income for the third quarter of 2018 of $1.2 million compared to a net loss of $1.3 million for the third quarter of 2017 due to unrealized losses of $0.2 million from hedged commodity contracts in the third quarter of 2018 compared to an unrealized loss of $1.3 million in the third quarter of 2017
- At September 30, 2018, cash totaled $1.5 million

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

"The Company's successful 2018 drilling program has resulted in a 40% increase in quarterly production from the prior year. The production increase, combined with a 60% increase in prices, has resulted in a 107% increase in our funds from operations for the third quarter of 2018 compared to the prior year third quarter. As we start the fourth quarter, we are excited about the final phase of our 2018 drilling program as both the Brock 4-2H (BNK 77% working interest) and Anderson 1-15H10X3 (BNK 33% working interest) wells have already been successfully drilled under budget. Fracture stimulation operations of the Brock 4-2H began this week with the two mile long lateral Anderson 1-15H10X3 well to follow in mid-November.

Our net revenue increased by 136% in the third quarter of 2018 due to the production and price increases. Average netbacks from operations for the third quarter of 2018 were $38.33 per boe, an increase of 68% compared to the prior year due to higher prices and increased production. Netback after adjustments, which include the impact of price adjustments from commodity contracts and prior period adjustments on natural gas and NGL volumes sold as well as processing costs, were $33.73 per boe for the third quarter of 2018 compared to $26.76 per boe in the prior year third quarter.

In the third quarter of 2018, the Company generated net income of $1.2 million compared to a net loss of $1.3 million in the third quarter of 2017. This included an unrealized loss on financial commodity contracts of $0.2 million in the third quarter of 2018, compared to an unrealized loss of $1.3 million in the third quarter of 2017."

	Third Quarter			First Nine Months		
	2018	2017	%	2018	2017	%
Net Income (Loss):						
$ Thousands	$1,184	$(1,333)	-	$(111)	$(293)	-
$ per common share assuming dilution	$0.01	$(0.01)	-	$(0.00)	$(0.00)	-
Capital Expenditures	$2,188	$7,485	(71%)	$13,771	$18,969	(27%)
Average Production (Boepd)	1,534	1,097	40%	1,700	942	80%
Average Price per Barrel	$59.37	$37.05	60%	$51.12	$37.87	35%
Average Netback from operations per Barrel	$38.33	$22.88	68%	$35.39	$23.09	53%
Average Netback after adjustments per Barrel	$33.73	$26.76	26%	$28.16	$28.79	(2%)

	September 2018	June 2018	December 2017
Cash and Cash Equivalents	$ 1,548	$ 1,389	$ 521
Working Capital	$ (2,541)	$(3,444)	$ (537)

Third Quarter 2018 versus Third Quarter 2017

Oil and gas gross revenues totaled $8,378,000 in the third quarter of 2018 versus $3,739,000 in the third quarter of 2017. Oil revenues increased $4,458,000 or 146% as oil production increased by 64% to 1,182 boepd and average oil prices increased by $22.90 per barrel or 49% to $69.18. Natural gas revenues decreased $106,000 or 41% to $151,000 as natural gas production decreased 22% to 789 mcfpd, which was coupled by an average natural gas price decrease of $0.66/mcf or 24% to $2.08/mcf. Natural gas production for the third quarter of 2018 included a decrease of 565 mcfpd related to prior period adjustments. Natural gas liquids (NGLs) revenues increased $287,000 or 68% as NGL production increased 6% to 220 boepd and average NGL prices increased 59% to $34.89. NGL production for the third quarter of 2018 included an increase of 17 boepd related to prior period adjustments.

Average third quarter 2018 production per day increased 40% from the third quarter of 2017 due to two additional wells added to production in 2018 and two wells added in the last few months of 2017. Third quarter 2018 production also included a decrease of 77 boepd related to prior period adjustments.

Production and operating expenses increased to $1,268,000 due to higher production. Production and operating costs on a boe basis increased by 36% to $7.96/boe due to increases in production taxes from tax rate increases in 2018 which increased operating costs by $1.70/boe and additional costs related to water hauling, wireline and road repair work which increased operating costs by $0.31/boe in the quarter.

Depletion and depreciation expense increased $471,000 or 33% due to an increase in production in the third quarter of 2018.

General and administrative expenses increased $45,000 or 6% due to less capitalized G&A in the third quarter of 2018 compared to the prior year resulting from less drilling activity in the third quarter of 2018 compared to the prior year quarter.

Stock based compensation increased by $13,000 or 30% due to the timing of stock awards granted to employees.

Finance income decreased $0.4 million in the third quarter of 2018 compared to the third quarter of 2017 due to realized gains on commodity contracts in the third quarter of 2017.

Finance expense decreased slightly in the third quarter of 2018 compared to the prior year quarter primarily due to lower unrealized losses on commodity contracts in the 2018 third quarter partially offset by a realized loss on commodity contracts in the third quarter of 2018 and higher interest expense on the credit facility in 2018 due to increased borrowings.

Capital expenditures of $2,188,000 were incurred in the third quarter of 2018 relating to the 2018 drilling program.

FIRST NINE MONTHS 2018 HIGHLIGHTS

- Average production for the first nine months of 2018 was 1,700 BOEPD, an increase of 80% compared to prior year first nine months average production of 942 BOEPD. The increase was primarily due to the Glenn 16-2H and WLC 14-1H wells that were part of the Company's 2018 drilling program as well as two wells that came into production in the last few months of 2017 and some prior period adjustments
- Funds from operations were $9.0 million in the first nine months of 2018 compared to $3.7 million in the first nine months of 2017, an increase of 144%. The increase was mainly due to a 80% increase in production combined with a 35% increase in average prices partially offset by realized losses from commodity contracts in the first nine months of 2018
- Revenue, net of royalties was $18.6 million for the first nine months of 2018 compared to $7.5 million for the first nine months of 2017, an increase of 147%, due to higher prices and increased production
- Average netback from operations for the first nine months of 2018 was $35.39 per barrel, an increase of 53% from the prior year period due to higher production and prices in 2018
- Net loss for the first nine months of 2018 was $0.1 million compared to net loss of $0.3 million for the first nine months of 2017. The 2018 amount included an unrealized loss on financial

commodity contracts of $2.5 million and the 2017 amount included an unrealized gain on commodity contracts of $0.9 million

- Cash totaled $1.5 million at September 30, 2018

First Nine Months of 2018 versus First Nine Months of 2017

Gross oil and gas revenues increased by 144% and totaled $23,724,000 in the first nine months of 2018 versus $9,739,000 in the first nine months of 2017. Oil revenues were $20,743,000 in the first nine months of 2018 versus $8,142,000 in the same period of 2017, an increase of 155% as average oil prices increased 40% or $18.89 a barrel coupled by an increase in oil production of 82%. Natural gas revenues increased $626,000 or 107%, due to an average natural gas production increase of 141% in the first nine months of 2018 offset by a decrease in natural gas prices of 14%. Natural gas production for the first nine months of 2018 included an increase of 634 mcfpd related to prior period adjustments. NGL revenue increased $757,000, or 75%, due to an increase in NGL production of 31% and an average NGL price increase of 34% in the first nine months of 2018. NGL production for the first nine months of 2018 included an increase of 16 boepd related to prior period adjustments.

Average production per day for the first nine months of 2018 increased 40% from the prior year comparable period due to two additional wells added to production in 2018 and two wells added in the last few months of 2017. The production for the first nine months of 2018 also included an increase of 122 boepd related to prior period adjustments.

Production and operating expenses increased 124% for the first nine months of 2018 mainly due to an increase in production. Operating expenses averaged $6.79 per BOE for the first nine months of 2018 compared to $6.26 per BOE for the same period in 2017. The per BOE operating expense increase for 2018 is due to an increase in production taxes due to rate increases in 2018.

Depletion and depreciation expense increased $2,571,000 due to increased production.

General and administrative expenses increased $2,000 due to advisor fees in 2018 which offset G&A reductions from management's continued efforts to reduce costs throughout the Company.

Finance income decreased $2.4 million due to unrealized and realized gains on financial commodity contracts in 2017.

Finance expense increased $4.5 million due to unrealized losses of $2.5 million and realized losses of $2.0 million on commodity contracts in 2018.

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

	September 30 2018	December 31 2017
Current Assets		
Cash	$1,548	$521
Trade and other receivables	3,513	2,510
Other current assets	659	563
	5,720	3,594
Non-current assets		
Property, plant and equipment	155,032	147,195
	155,032	147,195
Total Assets	$160,752	$150,789
Current Liabilities		
Trade and other payables	$5,075	$3,132
Fair value of commodity contracts	3,186	999
	8,261	4,131
Non-current liabilities		
Loans and borrowings	29,562	24,484
Asset retirement obligations	1,154	950
Fair value of commodity contracts	1,218	951
	31,934	26,385
Equity		
Share capital	289,622	289,522
Contributed surplus	22,701	22,406
Deficit	(191,766)	(191,655)
Total Equity	120,557	120,273
Total Equity and Liabilities	$160,752	$150,789

BNK PETROLEUM INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

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

($000 except as noted)

	Third Quarter		First Nine Months	
	2018	2017	2018	2017
Oil and natural gas revenue, net	$ 6,834	2,898	18,632	7,548
Other income	-	(24)	19	52
	6,834	2,874	18,651	7,600
Production and operating expenses	1,268	589	3,611	1,610
Depletion and depreciation expense	1,879	1,408	6,174	3,603
General and administrative expenses	837	792	2,727	2,725
Stock based compensation	57	44	279	131
	4,041	2,833	12,791	8,069
Finance income	-	396	-	2,376
Finance expense	(1,561)	(1,580)	(5,873)	(1,418)
Net income (loss) and comprehensive income (loss) from continuing operations	$ 1,232	(1,143)	(13)	489
Net loss and comprehensive loss from discontinued operations	(48)	(190)	(98)	(782)
Net income (loss)	1,184	(1,333)	(111)	(293)
Net income (loss) per share	$ 0.01	(0.01)	(0.00)	(0.00)

BNK PETROLEUM INC.

THIRD QUARTER 2018

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

		Third Quarter		First Nine Months	
		2018	2017	2018	2017
Oil revenue before royalties	$	7,521	3,063	20,743	8,142
Gas revenue before royalties		151	257	1,212	586
NGL revenue before royalties		706	419	1,769	1,012
Oil and Gas revenue		8,378	3,739	23,724	9,740
Funds from operations		3,434	1,662	8,995	3,688
Additions to property, plant & equipment		2,188	7,485	13,771	18,969

Statistics:

	3rd Quarter		First Nine Months	
	2018	2017	2018	2017
Average oil production (Bopd)	1,182	719	1,154	635
Average natural gas production (mcf/d)	789	1,018	1,901	789
Average NGL production (Boepd)	220	208	229	175
Average production (Boepd)	1,534	1,097	1,700	942
Average oil price ($/bbl)	$69.18	$46.28	$65.87	$46.98
Average natural gas price ($/mcf)	$2.08	$2.74	$2.33	$2.72
Average NGL price ($/bbl)	$34.89	$21.92	$28.35	$21.20
Average price (Boe)	$56.91	$37.05	$53.78	$37.87
Royalties (Boe)	10.62	8.33	11.60	8.52
Operating expenses (Boe)	7.96	5.84	6.79	6.26
Netback from operations (Boe)	$38.33	$22.88	$35.39	$23.09
Price adjustment from commodity contracts (Boe)	(5.71)	3.88	(4.22)	5.70
Netback including commodity contracts (Boe)	32.62	26.76	31.17	28.79
Prior period adjustments (Boe)	1.11	-	(3.01)	-
Netback after adjustments (Boe)	$33.73	$26.76	$28.16	$28.79

The information outlined above is extracted from and should be read in conjunction with the Company's unaudited financial statements for the three and nine months ended September 30, 2018 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 from operations, netback including commodity contracts, netback after adjustments, 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.

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, availability of funds from the Company’s reserves based loan facility, 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.

With respect to estimated reserves, 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 capital and 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. 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.

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