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

TSX ticker symbol; BKX
QTCQX ticker symbol; BNKPF

For Immediate Release

BNK PETROLEUM INC. ANNOUNCES ANNUAL 2018 RESULTS WITH NET INCOME OF $5.3 MILLION

CAMARILLO CALIFORNIA, March 20, 2019 –
All amounts are in U.S. Dollars unless otherwise indicated:

2018 HIGHLIGHTS

- Net income was $5.3 million for 2018 compared to a net loss of $1.6 million in 2017 due to higher production and prices in 2018 compared to the prior year. In addition, the Company had an unrealized gain on financial commodity contracts of $2.3 million in 2018, compared to an unrealized loss of $1.2 million in 2017.
- Funds from continuing operations was $11.5 million for 2018 compared to $6.5 million for 2017, an increase of 77%
- The Company's Total Proved Reserves increased by 26% to 33.8 million barrels of oil equivalent (BOE) and NPV10 value of the Total Proved Reserves increased by 31% to $376.9 million based on the Company's December 31, 2018 independent reserves evaluation.
- Average production for 2018 was 1,662 BOEPD, an increase of 52% compared to 2017 production of 1,092 BOEPD. This increase was mainly due to production from 3 new wells in 2018, the Glenn 16-2H, Brock 4-2H and the WLC 14-1H
- Average netback from operations was $33.99 per BOE in 2018, an increase of 33% compared to 2017 due to higher production and prices in 2018.
- Revenue, net of royalties was $23.8 million for 2018 compared to $12.6 million in 2017, an increase of 89%, due to higher prices and production compared to 2017
- Percentage of oil produced increased to 72% in 2018 compared to 70% of the production mix in 2017. The increase of oil in the mix is due to the most recent wells being drilled in locations with a higher concentration of oil.

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

"We are very pleased with the results of our 2018 drilling program and our latest reserves report. The three wells that came on production during the year have significantly increased our production. Our average production for 2018 was 1,662 BOE per day, which was an increase of 52% from 2017. Our 2018 drilling program, as well as our existing wells outperforming previous estimates, also significantly improved our reserve report, as our proved reserves increased by 26% from 2017, to 33.8 million BOE. The NPV10 value of our proved reserves increased by 31% to $376.9 million compared to 2017.

"Our 2018 performance generated funds from continuing operations of $11.5 million in 2018, which was a 77% increase from 2017. In addition, we generated net income of $5.3 million compared to a net loss of $1.6 million in the prior year.

"Revenue, net of royalties was $23.8 million for 2018, an increase of 89% compared to the prior year due to the increase in production as well as prices.

"Average netback from operations for 2018 was $33.99 per BOE, an increase of 33% compared to the prior year due to higher production and prices. 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 $27.71 per BOE for 2018 compared to $29.39 per BOE in the prior year.

The operator of the Anderson 1-15H10X3 well has successfully cleaned out the lateral, recovering debris that we believe was restricting production, and the well has been put back on flowback. We expect to have a better understanding of the productivity of the well once the fracture stimulation fluid has been recovered, which may take several weeks.

	Fourth Quarter			Year Ended		
	2018	2017	%	2018	2017	%
Net Income (Loss):						
$ Thousands	$5,431	$(1,303)	-%	$5,320	$(1,596)	-%
$ per common share assuming dilution	$0.02	$(0.01)	-%	$0.02	$(0.01)	-%
Funds from continuing operations	$2,537	$2,834	(10%)	$11,532	$6,522	77%
Capital Expenditures	$5,850	$302	1,837%	$19,621	$19,271	2%
Average Production (Boepd)	1,555	1,539	1%	1,662	1,092	52%
Gross Revenue	6,640	6,410	4%	30,367	16,150	88%
Average Price per Barrel	$47.11	$45.27	4%	$52.15	$40.52	29%
Average Netback from operations per Barrel	$29.67	$29.81	-%	$33.99	$25.49	33%
Average Price after adjustments per Barrel	$27.12	$30.46	(11%)	$27.71	$29.39	(6%)

	December 2018	December 2017
Cash and Cash Equivalents	$1,456	$521
Working Capital	($2,393)	($537)

Year Ended 2018 to Year Ended 2017

For 2018, oil and gas revenues net of royalties increased $11,243,000 or 89% to $23,834,000. Oil revenues before royalties increased by 92% to $26,281,000 due to a 30% increase in prices between years and a 48% increase in production. Natural gas revenues before royalties increased $651,000 or 77% due to a 103% increase in natural gas production partially offset by a 13% decrease in average gas prices. NGL revenue before royalties increased $996,000 or 63% due to a 25% increase in average prices and by a 30% increase in production.

Average production per day for 2018 increased 52% from the prior year due to three additional wells added to production during the year. The production for 2018 also included an increase of 99 boepd related to prior period adjustments.

Operating expenses increased by $2,247,000 due to an increase in production due to the new wells and an increase in production taxes. Excluding the prior period adjustments, operating expenses averaged $6.90 per BOE for 2018 compared to $6.10 per BOE for 2017. The per BOE operating expense increases for 2018 are due to an increase in production taxes due to rate increases in both January 2018 and July 2018 which increased operating expense by $1.70 per BOE compared to the prior year periods.

Depletion and depreciation expense increased $2,412,000 due to increased production.

General and administrative expenses decreased $155,000 due to the Company's continued cost cutting efforts partially offset by advisor fees in 2018.

Finance income increased $767,000 due to unrealized gains on commodity contracts in 2018 of $2,349,000. In the prior year, the Company had realized gains of $1,556,000 from commodity contracts.

Finance expense increased $1,191,000 due to realized losses on commodity contracts of $2,210,000 in 2018. In 2017, the Company had unrealized losses of $1,184,000 from commodity contracts.

Capital expenditures of $19,621,000 were incurred in 2018 for drilling and completion costs in Oklahoma during the year.

FOURTH QUARTER HIGHLIGHTS:

- Net income was $5.4 million in the fourth quarter 2018 compared to a net loss of $1.3 million in the prior year fourth quarter due to unrealized gains on commodity contracts of $4.8 million compared to an unrealized loss of $2.1 million in the fourth quarter of 2017
- Average production for the quarter was 1,555 BOEPD, an increase of 1% compared to the prior year fourth quarter due to the increased production from the wells drilled during 2018
- Revenue, net of royalties, was $5.2 million for fourth quarter 2018, an increase of 3% compared to the fourth quarter 2017 due to increased production
- G&A expense decreased by $157,000, or 16%, due primarily to continued cost cutting in 2018
- Funds from continuing operations was $2.5 million in the fourth quarter of 2018 compared to $2.8 million in the prior year fourth quarter, a decrease of 11%, due to higher operating costs related to production tax increases in 2018
- Average netback from operations for the fourth quarter of 2018 was $29.67 compared to $29.81 for the fourth quarter of 2017. The 2018 netback includes production tax increases which increased operating expense by $1.70 per BOE compared to the prior year fourth quarter. If the impact of commodity contracts and prior period adjustments are included, the average netback after adjustments for the fourth quarter of 2018 was $27.12 per BOE compared to $30.46 per BOE in the fourth quarter of 2017

Fourth Quarter 2018 to Fourth Quarter 2017

Oil and gas revenues net of royalties totaled $5,202,000 in the quarter versus $5,043,000 in the fourth quarter of 2017, an increase of 3%. Oil revenues were $5,538,000 in the quarter versus $5,571,000 in the fourth quarter of 2017, a decrease of 1% due to decreased production of 8% offset by an increase in average oil prices of 8%. Natural gas revenues increased 10% due to an increase in production of 24% partially offset by a decrease in natural gas prices of 12%. NGL revenue increased 41% to $817,000 as average NGL production increased by 30% and average prices increased by 9%.

Operating expenses increased by $246,000 in the fourth quarter of 2018 compared to 2017 due to an increase in production taxes.

Depletion and depreciation expense decreased $159,000 due to the increase in the reserves in the fourth quarter.

General and administrative expenses decreased $157,000 between quarters due to continued cost cutting efforts.

Finance income increased $4,712,000 in the fourth quarter of 2018 due to unrealized gains on commodity contracts of $4,803,000.

Finance expense decreased $1,695,000 due to unrealized losses on commodity contracts of $2,067,000 in the fourth quarter of 2017.

Capital expenditures of $5,850,000 were incurred in the fourth quarter of 2018 for drilling and completion costs in Oklahoma during the year.

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

	December 31, 2018	December 31, 2017
Current assets		
Cash and cash equivalents	$ 1,456	$ 521
Trade and other receivables	2,965	2,510
Deposits and prepaid expenses	609	563
Fair value of commodity contracts	407	-
	5,437	3,594
Non-current assets		
Property, plant and equipment	159,122	147,195
Total assets	$ 164,559	$ 150,789
Current liabilities		
Trade and other payables	$ 7,830	$ 3,132
Fair value of commodity contracts	-	999
	7,830	4,131
Non-current liabilities		
Fair value of commodity contracts	9	951
Loans and borrowings	29,551	24,484
Asset retirement obligations	1,127	950
	30,687	26,385
Equity		
Share capital	289,622	289,522
Contributed surplus	22,755	22,406
Deficit	(186,335)	(191,655)
Total equity	126,042	120,273
Total equity and liabilities	$ 164,559	$ 150,789

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	
	2018	2017	2018	2017
Revenue:				
Oil and natural gas revenue, net	$ 5,202	$ 5,043	$ 23,834	$ 12,591
Other income	1	(39)	20	13
	5,203	5,004	23,854	12,604
Expenses:				
Exploration and evaluation	-	3	-	3
Production and operating	1,067	821	4,678	2,431
Depletion and depreciation	1,734	1,893	7,908	5,496
General and administrative	854	1,011	3,581	3,736
Share based compensation	45	49	324	180
	3,700	3,777	16,491	11,846
Finance income	4,803	91	2,349	1,582
Finance expense	(800)	(2,495)	(4,219)	(3,028)
Net income/(loss) and comprehensive income/(loss) from continuing operations	$ 5,506	(1,177)	5,493	(688)
Net loss and comprehensive loss from discontinued operations	(75)	(126)	(173)	(908)
Net loss and comprehensive loss	$ 5,431	$ (1,303)	$ 5,320	$ (1,596)
Net income/loss per share				
Continuing operations	0.02	(0.01)	0.02	(0.00)
Discontinued operations	(0.00)	(0.00)	(0.00)	(0.00)
Basic and Diluted	$ 0.02	$ (0.01)	$ 0.02	$ (0.01)

BNK PETROLEUM INC.

FOURTH QUARTER AND YEAR ENDED 2018

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

		4th Quarter		Year Ended Dec. 31	
		2018	2017	2018	2017
Oil revenue before royalties	$	5,538	5,571	26,281	13,712
Gas revenue before royalties		285	260	1,497	846
NGL revenue before royalties		817	578	2,586	1,590
		6,640	6,409	30,364	16,148
Funds from continuing operations		2,537	2,834	11,532	6,522
Additions to property, plant & equipment		(5,850)	(302)	(19,621)	(19,271)

Statistics:	4th Quarter		Year Ended Dec. 31	
	2018	2017	2018	2017
Average oil production (Bopd)	1,043	1,137	1,126	761
Average natural gas production (mcf/d)	1,389	1,119	1,772	873
Average NGL production (Boepd)	280	215	241	185
Average production (Boepd)	1,555	1,539	1,662	1,092
Average oil price ($/bbl)	$57.69	$53.26	$63.96	$49.34
Average natural gas price ($/mcf)	$2.23	$2.52	$2.31	$2.66
Average NGL price ($/bbl)	$31.73	$29.17	$29.34	$23.54
Average price per barrel	$47.11	$45.27	$52.15	$40.52
Royalties per barrel	10.20	9.66	11.26	8.93
Operating expenses per barrel	7.24	5.80	6.90	6.10
Netback from operations	$29.67	$29.81	$33.99	$25.49
Price adjustment from commodity contracts (Boe)	(1.78)	0.65	(3.87)	3.90
Netback including commodity contracts (Boe)	27.89	30.46	30.12	29.39
Prior period adjustments (Boe)	(0.77)	-	(2.41)	-
Netback after adjustments (Boe)	$27.12	$30.46	$27.71	$29.39

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, 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 per barrel and netback 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.

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.

Readers are referred to the full description of the results of the Company's December 31, 2018 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, 2018, which the Company filed on SEDAR on March 11, 2019.

Caution Regarding Forward-Looking Information

This release contains forward-looking information including estimates of reserves, the proposed timing and expected results of exploratory and development work including production from the Company's Tishomingo field, Oklahoma acreage, the future performance of wells including following shut-in’s and restart of well(s), the expected effects of cost reduction efforts, 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 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 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.

For further information, contact:

Wolf E. Regener, President and Chief Executive Officer +1 (805) 484-3613
Email: investorrelations@bnkpetroleum.com
Website: www.bnkpetroleum.com