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For Immediate Release

BNK PETROLEUM INC. ANNOUNCES FIRST QUARTER 2019 RESULTS

CAMARILLO CALIFORNIA, May 9, 2019
All amounts are in U.S. Dollars unless otherwise indicated:

FIRST QUARTER HIGHLIGHTS

- Average production for the first quarter of 2019 was 1,498 BOEPD, an increase of 2% compared to first quarter 2018 average production of 1,464 BOEPD. This increase was due to production from the wells added into production in 2018 partially offset by the natural decline of existing wells and the shut-in of certain wells for cleanout operations
- Adjusted funds flow was $2.6 million in the first quarter 2019 compared to $2.5 million in the first quarter of 2018. The increase was mainly due to lower operating costs and lower G&A expenses offset by a decrease in revenue
- G&A expense decreased by 13% in the first quarter of 2019 compared to the prior year quarter due to cost cutting efforts by the Company, advisor fees incurred in the prior year quarter and lower rent expense from the adoption of IFRS 16
- Revenue, net of royalties was $4.6 million in the first quarter of 2019 compared to $4.9 million for first quarter of 2018, a decrease of 8%, as average prices decreased 11% but was offset by an increase in production by 2% between the quarters
- Average netback from operations for the first quarter of 2019 was $27.06, a decrease of 15% from the prior year first quarter due to lower prices in 2019 with average prices decreasing by 11%
- Net loss for the first quarter of 2019 was approximately $1.5 million compared to a net loss of $0.5 million for the first quarter of 2018 due to unrealized losses of $1.8 million from hedged commodity contracts in the first quarter of 2019 compared to an unrealized loss of $0.8 million in the first quarter of 2018
- The percentage of oil produced in the first quarter of 2019 increased to 74% compared to 71% in the first quarter of 2018, excluding the impact of prior period adjustments in 2018. This increase is due to successfully drilling wells in more oil rich areas of the field.

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

"We are pleased that the Company's 2019 first quarter production increased by 2% from the prior year quarter and the 2019 production mix included a higher percentage of oil. The increase of oil in our production mix to 74% demonstrates the continuation of transforming the Company into a liquids rich producer. The Company completed its drilling program at the end of 2018 and focused on performing rework cleanout operations on certain of its existing wells this quarter. These wells were shut-in for a portion of the quarter to complete these operations, but the Company believes these cleanout operations have increased production by approximately 90 BOEPD and should add value to the Company's reserves.

The major oil company that operates the successfully drilled 2 mile lateral Anderson 1-15H10X3 well (BNK 33% working interest) also conducted cleanout operations of the lateral to remove debris during the first quarter of 2019. Excluding the downtime of the well for this cleanout and other shut-ins, it has flowed back fracture stimulation fluid for about two and a half months since it was completed. For the month of April 2019, the well improved its performance averaging about 425 BOEPD of which 81% is oil. The well is still cleaning up as it is still producing significant amounts of fracture stimulation fluid and the tracers that were run in the well indicate that the entire lateral isn't fully contributing to the production yet.

The Company's adjusted funds flow was $2.6 million for the first quarter of 2019 compared to $2.5 million in the first quarter of 2018. The increase was mainly due to lower operating costs and lower G&A expenses offset by a decrease in revenue due to lower prices.

The Company's G&A expenses decreased by 13% due to our continued cost cutting and the implementation of the new lease accounting standard which lowered the Company's rental expense in 2019. G&A expense in the first quarter of 2018 also included advisor fees.

Our net revenue decreased by 9% in the first quarter 2019 as production increased by 2% and average prices decreased by 11% compared to the prior year quarter.

Average netbacks for the first quarter of 2019 were $27.06 per boe, a decrease of 15% compared to the prior year due to lower prices. Netback after adjustments, which include the impact of price adjustments from commodity contracts and the 2018 prior period adjustments on natural gas and NGL volumes sold as well as processing costs, were $25.77 per BOE for the first quarter of 2019 compared to $26.77 per BOE in the prior year quarter.

In the first quarter of 2019, the Company incurred a net loss of $1.5 million compared to a net loss of $0.5 million in the first quarter 2018. This is due to an unrealized loss on financial commodity contracts of $1.8 million in the first quarter of 2019, compared to an unrealized loss of $0.8 million in the first quarter of 2018. This is due to oil price swings between the end of last quarter and the end of this quarter. Price differences on the last day of the quarters can cause unrealized gains or losses from long term financial commodity contracts utilized for hedging. "

As previously disclosed on March 25, 2019, the Company engaged Macquarie Capital Markets Canada Ltd. as financial advisor in connection with a comprehensive review and analysis of strategic options. As part of this process we have now opened a corporate data room to several interested parties who have executed confidentiality agreements. Given the nature of the process and the need for confidentiality during this process, the Company does not intend to provide further updates until the process concludes or such time as the Board determines that additional disclosure is necessary or appropriate. The Company cautions that there are no guarantees that this process will result in any specific alternative path being pursued. Throughout its review of strategic options, the Company continues and will continue to execute its business strategy.

	1st Qtr 2019	1st Qtr 2018	%
Net income (loss):			
$ Thousands	($1,477)	($494)	-
$ per common share assuming dilution	($0.01)	($0.00)	-
Capital Expenditures	$752	$7,930	(91)
Production per day (Boepd)	1,498	1,464	2
Product Price per Barrel	$42.80	$49.45	(13)
Netback from operations	$27.06	$31.69	(15)
Netback including commodity contracts	$25.77	$28.51	(10)
Netback after adjustments	$25.77	$26.77	(4)

	3/31/2019	12/31/2018
Cash and Cash Equivalents	$ 1,708	$ 1,456
Working Capital	$(2,969)	$ (2,393)

First Quarter 2019 versus First Quarter 2018

Oil and gas gross revenues totaled $5,771,000 in the quarter versus $6,320,000 in the first quarter of 2018. Oil revenues decreased $242,000 or 4% as oil prices decreased by $8.83 per barrel or 14% which was offset by oil production increasing by 12% to 1,103 bopd. Natural gas revenues decreased $67,000 or 18% to $309,000 as natural gas production decreased 36% to 1,029 mcfpd which was partially offset by an average natural gas price increase of $0.72/mcf or 27% to $3.34/mcf. Natural gas liquids (NGLs) revenues decreased $240,000 or 50% as NGL prices decreased 53% to $11.87 which was partially offset by a production increase of 7% to 223 boepd.

Average production for the first quarter of 2019 was 1,498 BOEPD, an increase of 2% compared to the first quarter of 2018 average production of 1,464 BOEPD. This increase was due to production from the wells added into production in 2018 partially offset by the natural decline of existing wells and the shut-in of certain wells for cleanout operations.

Production and operating expenses decreased to $929,000 from $987,000 in the prior year first quarter and the per boe production and operating costs were $6.89/boe in the first quarter of 2019 compared to $6.91/boe in the first quarter of 2018. The 2019 production and operating expense per BOE includes the impact of a production tax increase in July 2018 which increased the 2019 amount by 0.41/boe.

Depletion and depreciation expense decreased $85,000 or 5% due to increased reserves in 2019 partially offset by the initial recognition of depreciation on the right of use asset in the first quarter of 2019.

General and administrative expenses decreased $138,000 or 13% due to cost cutting efforts by the Company, advisor fees incurred in the prior year quarter and lower rent expense from the adoption of IFRS 16.

Stock based compensation increased by $37,000 or 128% due to a stock option grant in 2019.

Finance income increased $5,000 in the first quarter of 2019 compared to the prior year quarter primarily due to a foreign exchange gain in the first quarter of 2019.

Finance expense increased $861,000 in the first quarter of 2019 compared to the prior year quarter due to a higher unrealized losses on commodity contracts in the first quarter of 2019 combined with an increase in interest expense on the credit facility in 2019.

Capital expenditures of $752,000 were incurred in the first quarter of 2019 relating to the Tishomingo field.

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

	March 31 2019	December 31 2018
Current Assets		
Cash	$1,708	$1,456
Trade and other receivables	2,412	2,965
Other current assets	539	609
Fair value of commodity contracts	-	407
	4,659	5,437
Non-current assets		
Property, plant and equipment	158,459	159,122
	158,459	159,122
Total Assets	$163,118	$164,559
Current Liabilities		
Trade and other payables	$6,170	$7,830
Lease payable	152	-
Fair value of commodity contracts	1,306	-
	7,628	7,830
Non-current liabilities		
Loans and borrowings	29,580	29,551
Asset retirement obligations	1,136	1,127
Fair value of commodity contracts	75	9
Lease payable	62	-
	30,853	30,687
Equity		
Share capital	289,622	289,622
Contributed surplus	22,827	22,755
Deficit	(187,812)	(186,335)
Total Equity	124,637	126,042
Total Equity and Liabilities	$163,118	$164,559

BNK PETROLEUM INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

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

($000 except as noted)

	Three months ended March 31,	
($000's)	**2019**	**2018**
Oil and gas revenue net of royalties	$4,577	$4,932
Other income	1	18
	4,578	4,950
Production and operating expenses	929	987
Depletion and depreciation	1,669	1,754
General and administrative expenses	907	1,045
Share based compensation	66	29
	$3,571	$3,815
Finance Income	5	-
Finance Expense	(2,489)	(1,628)
Net loss	(1,477)	(493)
Net loss per share	$(0.01)	$(0.00)

BNK PETROLEUM INC.

FIRST QUARTER 2019

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

	Quarter Ending March 31,	
	2019	**2018**
Oil revenue before royalties	$5,224	$5,466
Gas revenue before royalties	309	376
NGL revenue before royalties	238	478
Oil and Gas revenue	5,771	6,320
Adjusted funds flow	2,574	2,494
Capital expenditures	(752)	(7,930)
Statistics:		
Average oil production (Bopd)	1,103	989
Average natural gas production (mcf/d)	1,029	1,597
Average NGL production (Boepd)	223	209
Average production (Boepd)	1,498	1,464
Average oil price ($/bbl)	$ 52.60	$ 61.43
Average natural gas price ($/mcf)	3.34	2.62
Average NGL price ($/bbl)	11.87	25.47
Average price per barrel	$ 42.80	$ 49.45
Royalties per barrel	8.85	10.85
Operating expenses per barrel	6.89	6.91
Netback from operations	27.06	31.69
Price adjustment from commodity contracts (Boe)	(1.29)	(3.18)
Netback including commodity contracts (Boe)	25.77	28.51
Prior period adjustments (Boe)	-	(1.74)
Netback after adjustments (Boe)	$ 25.77	$ 26.77

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 March 31, 2019 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 excluding prior period adjustments, netback including commodity contracts, net operating income and adjusted funds flow (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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