ANNUAL INFORMATION FORM

for the year ended December 31, 2009

dated March 18, 2010

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PRELIMINARY NOTES

In this Annual Information Form (the "**AIF**"), BNK Petroleum Inc. is referred to as "BNK" or the "Company" and, together with its subsidiaries, as the "Group". All information contained herein is as at December 31, 2009, unless otherwise stated.

Financial Statements

This AIF should be read in conjunction with the Company's consolidated financial statements and management's discussion and analysis for the period ended December 31, 2009. The financial statements and management's discussion and analysis are available at www.bnkpetroleum.com and under the Company's profile on the SEDAR website at www.sedar.com. All financial statements are prepared in accordance with Canadian generally accepted accounting principles.

GLOSSARY OF TERMS

"API" is an indication of the specific gravity of crude oil measured on the American Petroleum Institute gravity scale;

"Atlas" means Atlas Pipeline Mid-Continent;

"**Arrangement**" means the statutory plan of arrangement involving the Company, Bankers and the shareholders of Bankers at the applicable time, further described under "Corporate Structure";

"**Bankers**" means Bankers Petroleum Ltd., the parent of the Company, prior to the Arrangement;

"BNK" means BNK Petroleum Inc., a British Columbia corporation;

"BNK Shares" means the common shares in the capital of the Company;

"BNK US" means BNK Petroleum (US) Inc., an indirect subsidiary of the Company incorporated under the laws of Texas, U.S.A.;

"BWB" means BWB Exploration, LLC;

"**Company**" means BNK Petroleum Inc., a British Columbia corporation;

"**EU**" means European Union;

"Indiana" means Indiana Investments Sp. z o.o, an indirect wholly owned subsidiary of the Company incorporated under the laws of Poland;

"**MHA**" means MHA Petroleum Consultants, Inc., independent petroleum engineering consultants of Lakewood, Colorado, U.S.;

"**MHA Report**" means the report on reserves data titled "Evaluation of the Petroleum Reserves of Bankers Petroleum (US) Inc. in the Ardmore Basin, Oklahoma" prepared by MHA dated February 18 2010 with an effective date of December 31, 2009;

"NGLs" means natural gas liquids;

"**NI 51-101**" means National Instrument 51-101 of the Canadian Securities Administrators entitled *Standards of Disclosure for Oil and Gas Activities*;

"Plan" refers to the Company's stock option plan that permits grants of options to directors, officers, employees and service providers as additional compensation and as an opportunity to participate in the success of the Company;

"RAG" means Rohöl-Aufsuchungs Aktiengesellschaft, an established oil and gas exploration and development entity based in Austria;

"Saponis" means Saponis Investments Sp. z o.o, an investee company incorporated under Polish laws which the Company owns as to 26.667%;

"Sorgenia" means Sorgenia E&P S.p.A;

"TSX" means TSX Inc.;

"**U.S**." means the United States of America;

"Vintage" means Vintage Petroleum LLC;

"Wells Fargo" means Wells Fargo Energy Capital, Inc.

Conventions

This AIF contains references to Canadian dollars and United States dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars. Canadian dollars are referred to as "CDN$".

The following table sets forth, for each of the years indicated, the exchange rate of United States dollars into Canadian dollars at the end of each such year, the average exchange rate during each such year and the range of high and low rates for each such year.

	Year Ended December 31		
	2009	**2008**	**2007**
High(1)	1.3066	1.2935	1.1878
Low(1)	1.0251	0.9765	0.9066
Average(2)	1.1420	1.0660	1.0748
Closing(1)	1.0510	1.2180	0.9913

Notes:

(1) The exchange rates are nominal quotations – not buying or selling rates – published by the Bank of Canada and are intended for statistical purposes.

(2) The average rate means the average of the exchange rates on the last day of each month during the year.

Abbreviations

API American Petroleum Institute
bbl Barrel
bbls Barrels
bcf Billion cubic feet
bopd Barrels of oil per day
boe Barrel of oil equivalent
boepd Barrels of oil equivalent per day
mbbls Thousand barrels
mcf Thousand cubic feet
mmcf Million cubic feet
mcfpd Thousand cubic feet per day
mmbtu Million British thermal units
mmcfpd Million cubic feet per day
WTI West Texas Intermediate Crude

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this AIF constitute forward-looking statements and forward-looking information within the meaning of applicable Canadian and U.S. securities laws (together "forward-looking information"). Forward-looking information relates to future events and the Company's future performance. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", “should", "believe" and similar expressions are intended to identify forward-looking information. Such statements are included, among other places, in this AIF under the headings "Summary Description of the Business", "Narrative Description of the Business" and "Risk Factors". Statements relating to "reserves" or "resources" are also forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future. All such statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Management believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this AIF should not be unduly relied upon. These statements speak only as of the date hereof.

In particular, this AIF contains forward-looking information pertaining to the following:

- the Company's acquisition and exploratory activities and strategies in Europe in general and in Poland in particular;
- performance characteristics of the Company's major producing property, Tishomingo Field, Oklahoma;
- crude natural gas, natural gas liquids and oil production estimates and targets;
- the size of the natural gas, natural gas liquids and oil reserves;
- capital expenditure programs and estimates;
- projections of market prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the ability to raise capital and to continually add to reserves through acquisitions and development; and
- treatment under governmental regulatory regimes and tax laws.

Such forward-looking information is based on a number of assumptions, including but not limited to those set out herein and in the Company's Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* ("**NI 51-101 Report**"), availability of funds for capital expenditures, stable costs, availability of equipment and personnel when required for operations and continuing strong demand for oil and natural gas.

Actual results could differ materially from those anticipated in forward-looking information as a result of risks and uncertainties set forth below and elsewhere in this AIF:

- volatility in market prices for oil and natural gas;
- risks inherent in oil and gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- the Group's ability to hold existing leases through drilling or lease extensions;
- incorrect assessments of the value of acquisitions;
- geological, technical, drilling and processing problems;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- rising costs of labour and equipment;
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; and
- other factors discussed under "Risk Factors".

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this AIF is expressly qualified in its entirety by this cautionary statement. The Company undertakes no obligation to update forward-looking information to reflect new information, subsequent events or otherwise, except as required by law.

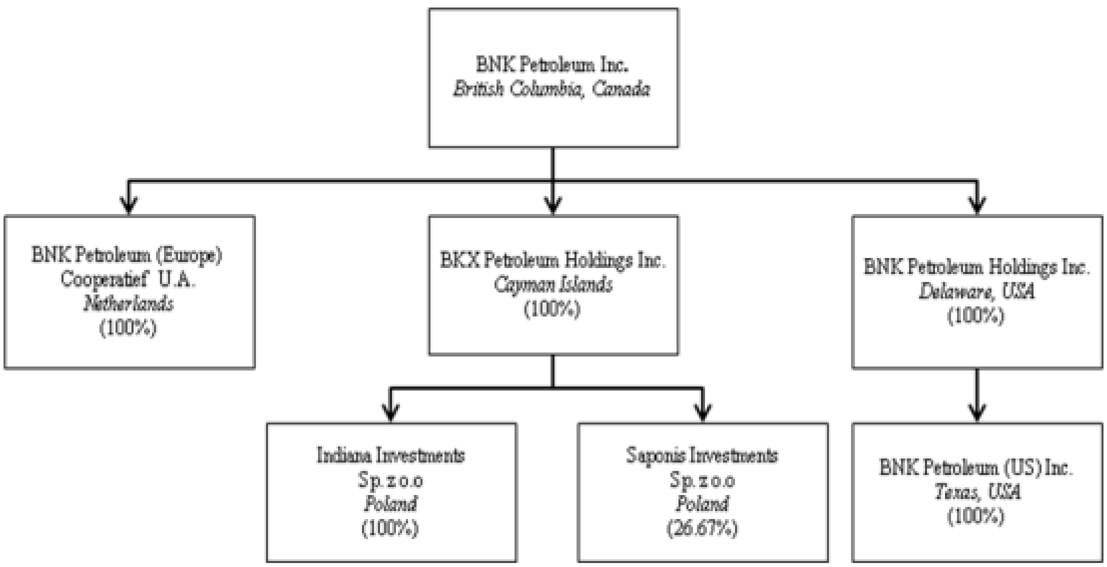
CORPORATE STRUCTURE

The Company was incorporated as "BNK Petroleum, Inc." under the *Business Corporations Act* (British Columbia) on May 26, 2008. Pursuant to the Arrangement which was approved by the shareholders of Bankers, the Company's then parent, the Company issued to shareholders of Bankers one (1) BNK Share for every ten (10) Bankers shares held by each such Bankers shareholder prior to consolidation of the outstanding common shares of Bankers that was made effective post-Arrangement. The Company issued approximately 52,220,526 BNK Shares to Bankers shareholders in connection with the Arrangement, which shares were then listed and commenced trading on the TSX on July 10, 2008 under the symbol "BKX".

The registered and records office of the Company is located at 10th Floor 595 Howe Street, Vancouver, British Columbia, V6C 2T5, and its head office is located at 760 Paseo Camarillo, Suite 350, Camarillo, California, 93010, U.S.A.

Intercorporate Relationships

The Company has the following subsidiaries:



Notes:

1. *Until October 13, 2009, the Company owned 100% of Saponis. Pursuant to a farm-out agreement on that date, the Company reduced its interest to 26.67% in exchange for the farmees paying for a portion of the Company's capital commitment in Poland.* See "Summary Description of Business – Europe".

2. *Indiana Investments has no active operations. It has applied for oil and gas concessions in Europe which are pending as at the date of this AIF.*

3. *BNK Petroleum (Europe) Cooperatief U.A was incorporated on December 3, 2009 as a holding company for BNK's future subsidiaries in Europe .*

SUMMARY DESCRIPTION OF THE BUSINESS

Three Year History

Development of the Company's business prior to the Arrangement in July 2008 was financed by advances from Bankers. Since the Arrangement, development has been financed through a combination of debt and equity financings undertaken by the Company. The following describes the general development of the Company's business over the last three completed fiscal years.

United States

At December 31, 2006, the Company held approximately 500,000 net acres of undeveloped oil and gas leases, situated in Texas, Oklahoma, New York, Mississippi and Alabama. The leases were acquired in stages from various parties. The largest acquisition was the approximate 250,000 net acres and related data and information acquired from Vintage in May, 2006.

In March 2007, the Company sold a 27% interest in approximately 375,000 net acres in the Palo Duro Basin in Texas to a wholly owned subsidiary of Palo Duro Energy Inc., a TSX Venture Exchange listed company. The total consideration received for the 27% interest was $19.5 million, of which $15.0 million was paid in cash and the balance was satisfied by the issuance to Bankers of 15,152,142 units (each comprising one share and one-half of a common share warrant) of Palo Duro Energy Inc. The cash consideration was used to fund the Company's capital expenditure program for the remainder of 2007.

The Company began developing its principal producing property, the Tishomingo Field located in the Carter and Johnston counties of Oklahoma, in December 2006. Since then, a total of 39 wells have been drilled in this field; 30 horizontal and nine vertical. BNK is the operator of 26 of the wells. As at December 31, 2009, five of these wells had not been fracture-stimulated. The exit production rate at year end was approximately 1,200 boepd which was produced from 44% percent of the available stages from 35 wells that have been fracture-stimulated and connected to the gathering system. At year-end BNK had about 120 gross stages and 65 net stages of untreated Woodford Shale formation behind pipe from 16 wells. A net stage of treatable Woodford Shale represents the average treated interval length multiplied by BNK's working interest in each well.

During 2007 and 2008 the Company and its joint venture partner on certain of the leases, Wagner & Brown, built a gas gathering system for the Tishomingo Field. Each company owns and operates part of the system and gathering fee rates reflect the relative investment of each party in the gathering system.

Between the fall of 2007, when gas production commenced from the Tishomingo Field and February 2009, the Company leased a temporary processing facility with limited capacity and contracted out the processing of additional production volumes. Equipment failures and other limitations resulted in poor recoveries and higher than optimal costs. The arrangements were temporary pending the installation of a wet gas gathering line to connect the Tishomingo Field to the cryogenic Velma Plant owned by Atlas, situated approximately 60 kilometres from the field. In February 2009, the line to the Velma Plant was completed and the Company commenced processing all of its gas at the new plant. The Velma Plant has the requisite equipment to more efficiently process natural gas and as a result the Company's NGL recoveries have increased four-fold, to 140 bbls per 1,000 mcf of natural gas, which has positively impacted the Company's production, revenue and cash flows. Under the agreement with Atlas, BNK pays a fee of $1.15 per mcf, but retains all of its NGLs.

In 2009, the Company completed and fracture stimulated 11 new wells, 10 of which are operated by the Company, for a total of 32 gross stages. In November 2009, the Company fracture stimulated 8 additional stages in the Bice 19-1H for a total of 11 producing stages in the well resulting in 30-day average initial incremental production rate of approximately 130 boepd net to BNK. In December 2009, Hartgraves 1-1H, a non-operated well, was fracture stimulated in 7 additional stages for a total of 10 producing stages resulting in a 30-day average initial incremental production rate over 220 boepd net to BNK.

In December 2008, the Company sold 2,800 acres of oil and gas leases in Carter County, Oklahoma, which were not part of the Tishomingo Field development, and an estimated 86,000 acres of leases in the Black Warrior Basin of Mississippi and Alabama to BWB for $10 million. The Company also agreed to give BWB the right to participate for a 20% interest in the first three concession applications that the Company had filed in Poland. BNK concurrently entered into an exploration agreement with BWB in regard to the Black Warrior acreage sold to BWB, under which BNK can earn up to a 50% working interest in a portion or all of the Black Warrior acreage by drilling a series of test wells on identified prospects. To earn its interest BNK would be required to pay BWB's share of costs in the test wells on a block-by-block basis. BNK would incur a maximum expenditure of $10 million in order to earn the 50% working interest in the entire acreage. In September 2009, the Company drilled, cased and began completing its first well, Hickman Farms 30-15, in the Black Warrior Basin to a depth of 5,475 feet. The Company performed extensive remedial cement squeeze work in an attempt to isolate the various prospective zones from non-prospective zones in the well. To date the Company has tested two of the intervals and has produced uneconomic quantities of burnable gas. The third interval is currently flowing back the fracture treatment and has also encountered some burnable gas but so far not at economic quantities. After completion of the test on the third interval, there is one more interval left to test in this well. The completion problems caused delay in the second and third wells, which are expected to be drilled during the second quarter and third quarter of 2010. Additional wells may be drilled, based on the results obtained in the first three wells.

Europe

In 2008 the Company made a strategic decision to explore for natural gas in shale formations in Europe. The first country targeted for this purpose was Poland. In 2008, the Company, through Saponis, applied for three concessions in Poland which were awarded in June 2009. The three concessions, Starogard, Slupsk and Slawno, are located in Northern Poland and total about 730,000 gross acres. BWB holds a 20% interest and BNK initially held an 80% interest in the concessions. In October 2009, the Company farmed out its 80% interest in the concessions to RAG and Sorgenia. Under the farm-out agreement RAG/Sorgenia paid $3 million to BNK and will each pay one-half of 73.33% of the next $25 million in total exploration costs, BNK will pay 6.667% and BWB will pay its 20% share. RAG/Sorgenia will earn a combined 53.23% interest in Saponis and BNK's interest will reduce to 26.67%. BNK's 26.67% interest in Saponis equates to approximately 195,000 net acres of the Poland concessions.

The three concessions are located in the Baltic Basin. BNK's current plan is to test four different targets in the Silurian, Ordovician and Cambrian shales that are located at depths ranging from 7,000 to 12,500 feet. At present BNK expects, during 2010, to drill one exploratory well on each concession, within 18 months of each concession grant date.

In December 2009 and January 2010, the Company was awarded a total of five oil and gas concessions located in three different basins of a West European EU country, totalling approximately 1.5 million gross acres. As a result, total gross land acquisitions in Europe total 2.1 million acres to date and are currently about 1.7 million acres net to BNK. The Company also has pending applications for additional concessions in Poland and elsewhere in Europe.

Recent Financings

In July 2008, the Company arranged a $23 million loan facility with the Energy Banking Division of Capital One ("Capital One") through BNK US. In connection with the Capital One facility, the Company obtained a $23 million subordinated loan from Bankers. Subsequently, a $7 million revolving credit facility was added to the Capital One facility, bringing the total facility to $30 million. In November 2008, the original $23 million Capital One facility was cancelled, and in 2009, the remaining indebtedness to Capital One was repaid and the facility terminated.

In August 2008, the Company issued 13.6 million BNK Shares at a price of CDN$1.85 per share pursuant to an underwritten private placement to raise net proceeds of CDN$22.1 million, of which $10 million was applied to the subordinated indebtedness owed to Bankers.

In April 2009, the Company entered into an agreement with Wells Fargo for a senior secured line of credit facility which replaced the Company's existing credit facility. The initial borrowing base under the Wells Fargo facility was established as $29.5 million. The facility is secured by the Company's oil and gas assets in Oklahoma and bears interest at a base rate which is the higher of the Wells Fargo prime rate in effect from time to time and the Federal Funds Rate published by the Federal Reserve Bank of New York, plus 3%. The Company paid a 2% upfront fee in connection with the facility and assigned to Wells Fargo a 3% overriding royalty interest in the first 40 wells on the Tishomingo Field, Oklahoma, declining to a 2% overriding royalty interest thereafter on each additional well and a 20% net profits interest on the same wells declining to 10% on all wells drilled thereafter. The net profits interest will take effect after the loan is retired. The credit facility matures on April 14, 2011 and is being repaid in monthly instalments equal to 80% of the Company's net operating income from the Tishomingo Field with a final payment for the outstanding balance, if any, at maturity. The proceeds from the credit facility were used to repay the Company's outstanding bank debt of $7 million, to fund the Company's fracture stimulation program in the Tishomingo Field and for working capital.

On July 15, 2009, the Company closed a non-brokered private placement of 17,000,000 BNK Shares for gross proceeds of $5.1 million. From the net proceeds of the financing, the Company made a US$500,000 loan repayment to Bankers under a subordinated loan agreement which the Company had arranged in order to provide security for its initial credit facilities. During the second quarter of 2009 the Company agreed to pay US$2.5 million of the subordinated loan in exchange for Bankers waiving the requirement for the Company to pay 100 percent of the net proceeds of any new debt issue towards the subordinated loan. The payment was made during the quarter, US$1,087,000 of which was funded by promissory notes payable to three of the Company's directors and its Chief Executive Officer and the balance from the proceeds of the private placement.

On November 13, 2009, the Company issued 16,000,000 BNK Shares at CDN$1.25 per share to raise gross proceeds of CDN$20 million under a short form prospectus to a syndicate of underwriters. CDN$9.2 million of the net proceeds of the offering were used to reduce the balance of the subordinated loan owed to Bankers and the remaining proceeds were used to fund the Company's exploration and development programs in Europe and the United States and for general corporate purposes.

NARRATIVE DESCRIPTION OF THE BUSINESS

Business Profile

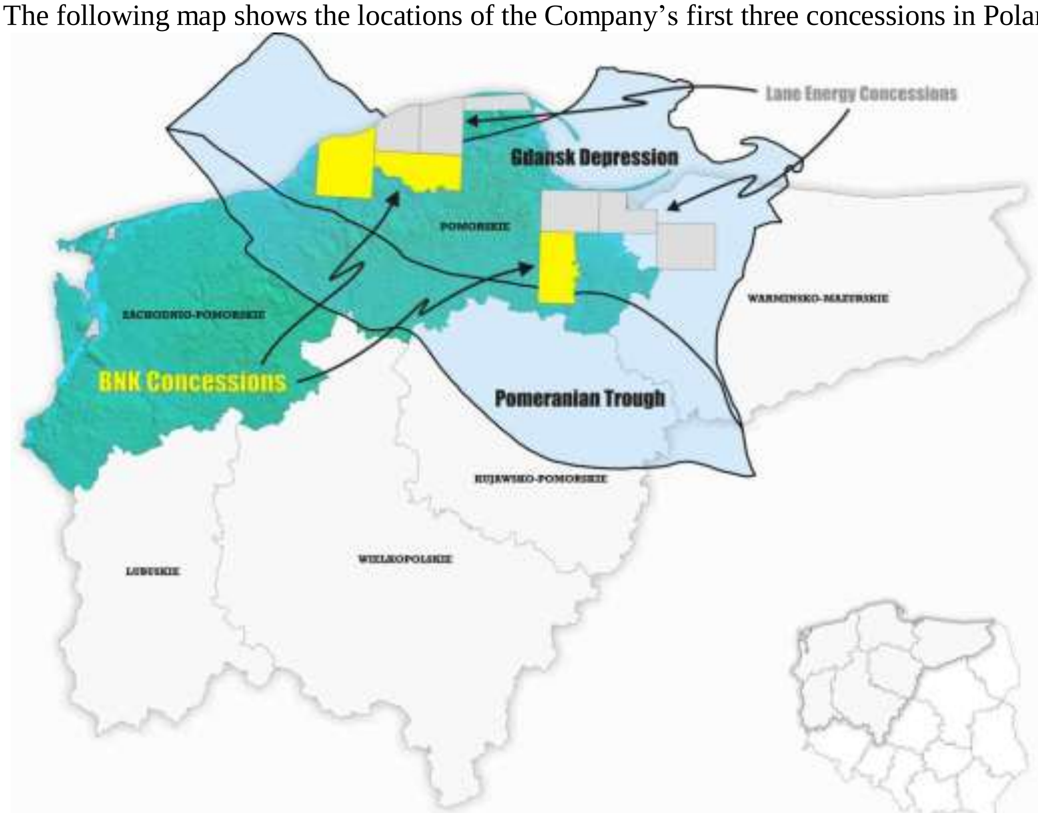
The Company is a U.S. based oil and gas exploration and production company focused on finding and exploiting large, predominately unconventional, oil and gas resource plays in the U.S. and Europe. BNK is utilizing its technical and operational expertise to identify and acquire unconventional projects outside of North America. In North America its focus is on maximizing the value of its shale gas assets. The Company is targeting growth in production and reserves through application of new and proven technologies by a strong experienced technical team. At the end of 2009, the Company had 16 employees, all but one were located in the U.S.

Overview

BNK's European strategy is to continue to acquire acreage that is prospective for shale gas. The Company's expert exploration team continues to work on identifying additional European basins that it believes are prospective for shale gas. The Company has a number of pending applications, in addition to the 2.1 million gross acres already acquired in 4 basins. The concession applications generally take between five and twelve months to be awarded. After concessions are awarded BNK will generally over the next 6 to 12 months further high-grade the plays and then seeks industry partners to fund the exploration phase of each project. BNK's goal is to retain between 150,000 and 500,000 net acres in each basin.

Poland

The Company's net acreage interest in the three Poland concessions totals approximately 195,000 acres. The work commitments under these concessions is comprised of additional core analysis, geological work and include spudding one well during the first 18 months from the date of grant of each concession. It is estimated each well will cost between $8 and $10 million. Under the farm-out agreement with RAG/Sorgenia, BNK is carried for $5 million of its costs on the first $25 million to be spent on the project. The following map shows the locations of the Company's first three concessions in Poland.



During 2009 BNK performed core analysis and geological work along with preliminary well design planning. It is anticipated that the first well will be spudded during the later part of the second quarter or early in the third quarter of 2010.

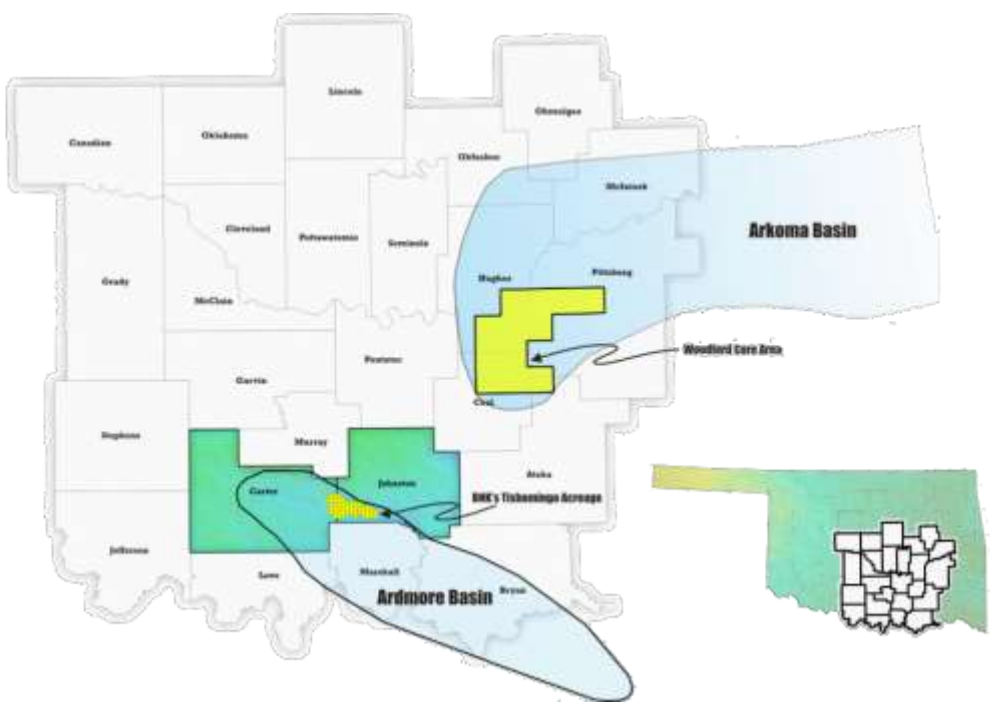
Other European Projects

The Company holds concessions totalling approximately 1.5 million acres in three basins in a Western European EU country. The concessions were acquired in 2009 and January, 2010 specifically for shale gas and were identified by BNK's expert team. Minimum requirements for the concessions include conducting geological work in the first year, acquiring seismic in the second year, drilling one vertical well in both years three and four, and the drilling of one horizontal well in year five within each concession area. BNK intends to do further geologic and geophysical work in 2010 and will monitor potential offset operator work on these concessions in 2010. BNK has made other concession applications and currently is awaiting their grant. The Company intends to apply for further concessions in Europe in 2010.

Principal Properties

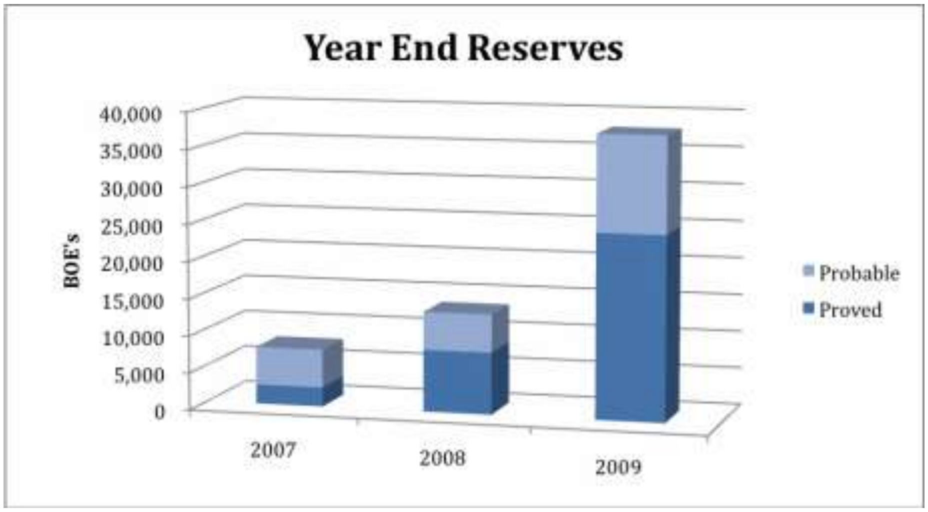
Tishomingo Field, Ardmore Basin, Oklahoma

In Oklahoma, the Company holds approximately 12,800 net acres of shale gas acreage in its Tishomingo Field that proved and probable reserves of 37.9 million boes. The Company plans additional frac-out and development drilling in this field with the objective of increasing production and reserves. Below is a map that outlines the Company's areas of activity in the Ardmore Basin and shows its relation to the Arkoma Basin:

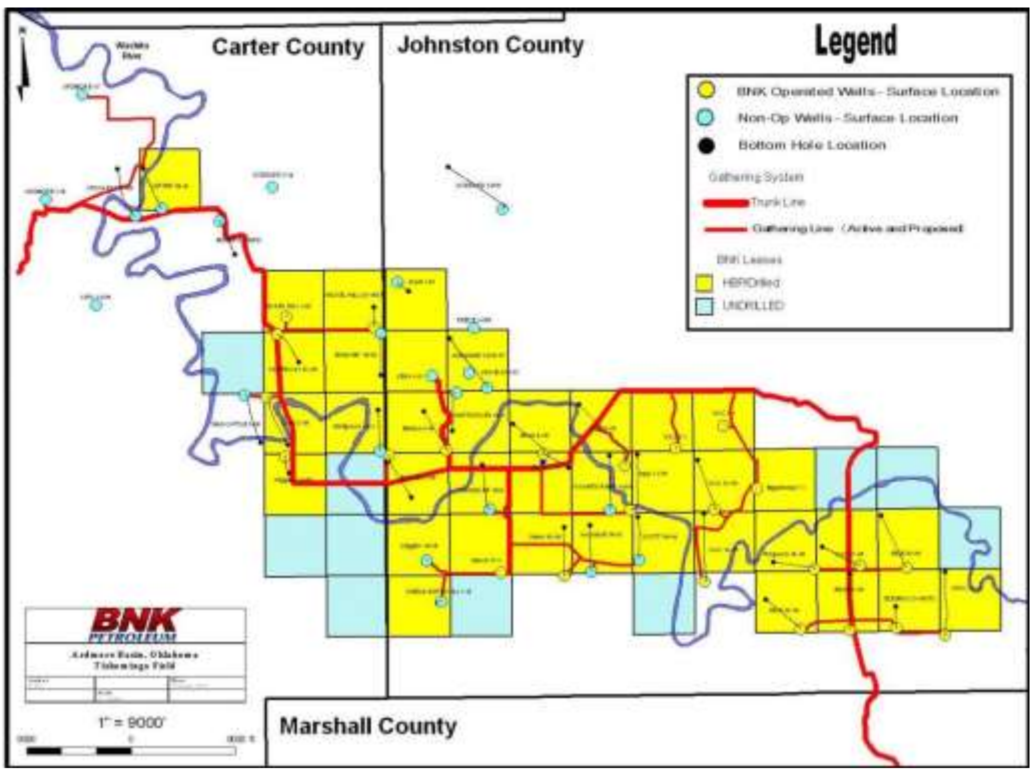


Drilling in the Tishomingo Field commenced in December 2006. The first well, Nickel Hill #1-26, drilled vertically, was successfully completed and put on production in February 2007. During 2007, the Company drilled and fracture-stimulated four successful horizontal wells in this field resulting in 7.6 Mbbls of proved plus probable reserves as at December 31, 2007. The Company advanced the pace of development of the Tishomingo Field and has now drilled and participated in thirty horizontal and nine vertical wells. By drilling and participating in thirty-nine wells to date, the Company has earned the right to hold by production over 90% of its acreage in the Tishomingo Field. At 2009 year end all but 5 wells had been fracture-stimulated. The Company's exit production from the Tishomingo Field at

December 31, 2009 was approximately 1,200 boepd. BNK's 2009 year-end proved and probable reserves in the Tishomingo Field were up 182% to 37.9 million boe from 13.5 million boe at year-end 2008.



Below is a more detailed map of the Company's Tishomingo, Ardmore Basin project:



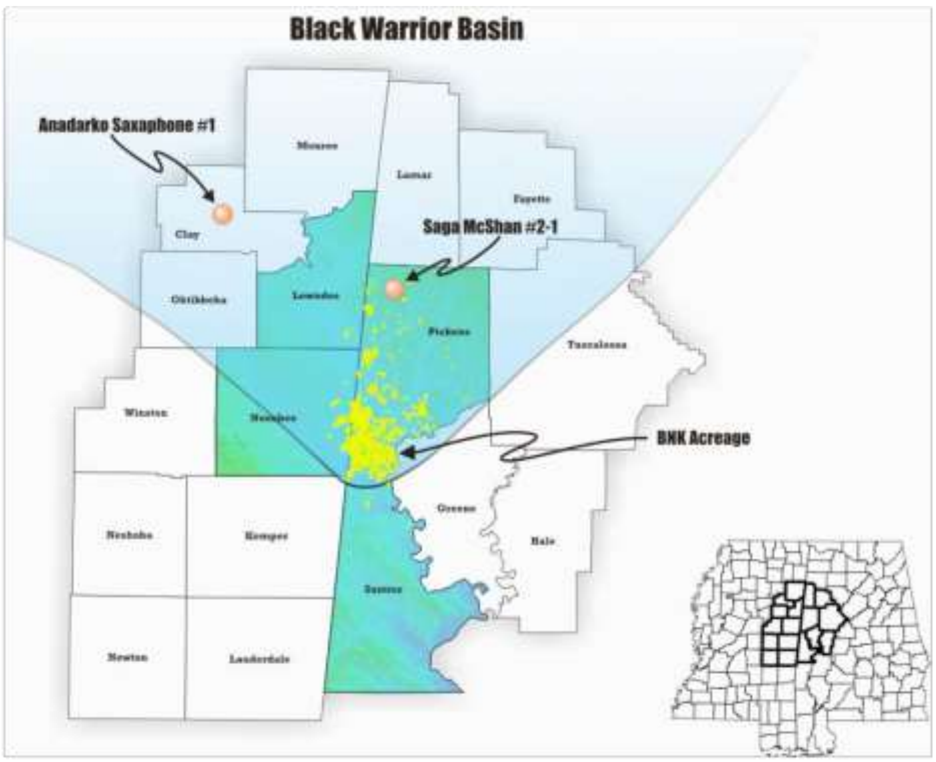
Black Warrior Basin, Mississippi/Alabama

Under the Company's farm-in agreement, the Company can earn up to a 50% working interest in approximately 80,000 net acres in the Black Warrior Basin of Mississippi and Alabama by drilling and paying for 100% of the costs of a series of test wells on identified prospects. This basin targets Pennsylvanian age Pottsville tight gas sands as well as the Mississippian age Floyd Shale. In September

2009, the Company drilled, cased and began completing its first well, Hickman Farms 30-15, in the Black Warrior Basin to a depth of 5,475 feet. The Company performed extensive remedial cement squeeze work in an attempt to isolate the various prospective zones from non-prospective zones in the well. To date, the Company has tested two of the intervals and has produced uneconomic quantities of burnable gas. The third interval is currently flowing back the fracture treatment and has also encountered some burnable gas, but so far not at economic quantities. The Company has one more interval left to test in this well. The drilling of this well has earned BNK 50% of approximately 9,500 net acres. The completion problems encountered in this well resulted in a delay for the second and third wells, which are expected to be drilled during the second and third quarter of 2010 at an estimated cost of $1.2 million to the Company. The Company has to spud the second and third wells within 90 days of the completion rig release of the previous well. Failure to commence any of these wells on the scheduled dates could subject the Company to liquidated damages of $500,000 for each well not drilled.

Additional wells may be drilled based on the results obtained in the first three wells. The BNK wells are testing similar sands that were found in the Anadarko Saxaphone #1 well (Initial production rate of 1.2 mmcfpd) and the Saga McShan #2-1 well (1.4 mmcfpd 6 month average production).

Below is a map of the Company's area of activity in the Black Warrior Basin:



Palo Duro Basin, Texas

The Company holds approximately 70,000 net acres of land in the Palo Duro Basin, Texas, located approximately 260 miles northwest of the Fort Worth Basin which is home to the Barnett Shale play. The Palo Duro Basin Shale gas play encompasses the counties of Floyd and Motley and targets Pennsylvanian aged shales that exist at depths between 7,000 and 10,500 feet in the Bend group. The Company has working interests that range from 25% to 73%.

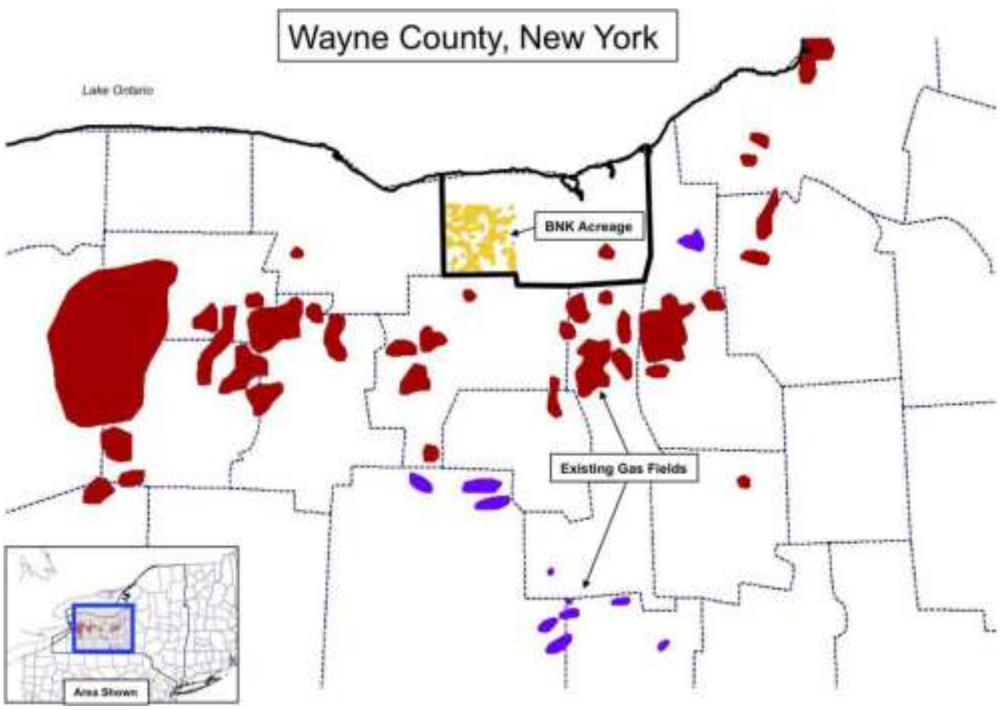
Work to date by the Company and a core study confirmed that the rocks in some parts of the Palo Duro Basin contain substantial volumes of gas and have some unique rock properties that may require different stimulation and completion techniques than those commonly used in other shale basins. The Company is retaining acreage over the area that it believes has the best potential for Bend Shale and Granite Wash Sands and has released acreage it does not believe to be as prospective.

Since 2006 the Company drilled a number of wells in the Basin and has one well, the Black 4-1, that produced gas from the granite wash sands and is currently shut-in. The well encountered a prospective 280 foot thick Bend Shale interval.

Appalachian Basin, New York

In upstate New York, the Company is targeting shale gas and hydrothermal dolomite prospects in the Appalachian Basin on 18,200 acres of land acquired from Vintage in May 2006. This area targets the early Ordovician age, Trenton-Black River limestone-shale sequence with secondary potential in the Late Ordovician age, Utica Shale.

Below is a map of the Company's area of activity in the Appalachian Basin:



The Company believes that its 18,000 acre block has good potential for a hydrothermal dolomite play based on the aeromagnetic data.

The Company is currently planning to acquire 2D seismic on its existing New York acreage to help evaluate the hydrothermal dolomite concept after reprocessing high-quality aeromagnetic data over its acreage. Regionally, over 125 million boe and 200 bcf gas is reported to have been produced from Trenton/Blackriver hydrothermal dolomite fields.

Statement of Reserves Data and Other Oil and Gas Information

The information contained in the Company's National Instrument 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* as at December 31, 2009, the report of MHA Petroleum Consultants Inc. in the form of Form 51-101F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor,* and Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure,* each filed under the Company's profile at www.sedar.com are incorporated by reference into this AIF.

Specialized Skills and Knowledge

Exploration for and development of petroleum and natural gas resources requires specialized skills and knowledge including in the areas of petroleum engineering, geophysics, geology and title. The Company has obtained personnel with the required specialized skills and knowledge to carry out their respective operations. While the current labour market in the industry is highly competitive, the Company expects to be able to attract and retain appropriately qualified employees for fiscal 2010.

Competitive Conditions

The Company competes for leases in the shale gas basins in which it is active in the U.S. with a number of private and public companies which may have greater financial resources, staff and facilities than the Company.

The Company currently faces less competition in the European shale basins as the shale gas exploration is still in its infancy in Europe but this is rapidly changing and many medium and large companies with greater financial resources are entering the market.

In addition, the Company competes with other industry participants for the sourcing and availability of raw materials and component parts necessary in petroleum and natural gas exploration and development; however to date the Company has had little difficulty obtaining the materials it requires for its activities, although rig and service availability and pricings can vary.

The Company's ability to increase reserves in the future will depend not only on its ability to develop or continue to develop existing properties, but also on finding and acquiring suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and gas include price, methods, pipeline access and reliability of delivery and availability of imported products.

Cycles

The Company’s operations are generally not affected by seasonal weather cycles. However, operations can be affected and delayed by heavy spring rains or other extreme weather phenomena.

Economic Dependence

The Company is not economically dependent on any suppliers or customers.

Environmental Protection

The overall environmental impact to the Company’s economic valuations is not material. Cost for environmental protection and remediation is included in the Company’s capital cost estimates and plans.

The Company's operations are subject to environmental regulations (including regular environmental impact assessments and permitting) in the jurisdictions in which it operates. Such regulations cover a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. Under such regulations there are clean-up costs and liabilities for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and legislation relating to exploration and production of natural resources are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees. Such stricter standards could impact the Company's costs and have an adverse effect on results of operations.

RISK FACTORS

Management of the Company considers the following risks to be the most significant for potential investors in the Company, but such risks do not necessarily comprise all those associated with an investment in the Company. Additional risks and uncertainties not currently known to management of the Company may also have an adverse effect on the Company's business. If any of these risks actually occur, the Company's business, financial condition, capital resources, results and/or future operations could be materially adversely affected. In such a case, the market value of the securities of the Company could decline and investors may lose all or part of their investment.

Financing Risks

As at December 31, 2009, the Company had a flat working capital. The Company estimates its capital expenditures in the U.S. to be approximately $15 million during 2010 if it chooses to fracture stimulate the behind pipe stages that are in its existing Tishomingo wells. In Poland, the Company anticipates spending $2 million on the three concessions its investee company, Saponis, holds. Current banking arrangements leave the Company with no discretionary cash flows as 80% of the Company's net operating income from the Oklahoma operations are directed to repayment of bank debt. As a consequence, the Company will need to raise additional equity and/or to replace the current debt facilities with a more traditional reserve based loan. There is no assurance that the Company will be able to raise funds on terms acceptable to it, or at all. If sufficient funds are not obtained, the Company may have to reduce its exploration and development programs which would have a material adverse effect on the Company's results of operations.

The Company's future capital requirements will depend on numerous factors, including development and exploration drilling success, cost of lease extensions and renewals, the cost and success of re-completing or drilling wells, future production levels, the terms (including price) and conditions that it is able to negotiate with purchasers of production from its properties, and the level of success in its exploration activities. None of these factors can be predicted with certainty. The Company may require additional funds in the future and may attempt to raise such funds through further equity or debt financings, collaborative arrangements with commercial partners or from other sources. Any additional equity financing may be dilutive to the holders of the BNK Shares and any debt financing, if available, may restrict the Company's future financing and operating activities. The Company may be unable to obtain additional financing on acceptable terms if market and economic conditions, the financial condition or operating performance of the Company or investor sentiment are unfavourable. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations and prospects.

Volatility of Market Price of Common Shares

The market price of the Common Shares may be volatile. The volatility may affect the ability of holders to sell the Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "Forward-Looking Statements". In addition, the market price for securities in the stock markets, including the TSX, has recently experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Common Shares.

Nature of the Oil and Gas Business

An investment in the Company should be considered speculative due to the nature of the Company's involvement in the exploration for, and the acquisition, development and production of, oil and gas in the U.S. and Europe. The volume of production from oil and natural gas properties generally declines as reserves are depleted, with the rate of decline depending on reservoir characteristics. Any proved reserves the Company may establish will decline as reserves are produced from its properties unless it is able to acquire or develop new reserves. The business of exploring for, developing or acquiring reserves is capital intensive. To the extent cash flow from operations is reduced and external sources of capital become limited or unavailable, the Company's ability to make the necessary capital investment to develop the Company's asset base of oil and natural gas reserves will be impaired. In addition, there can be no assurance that even if the Company is able to raise capital to develop or acquire additional properties to develop the Company's reserves, the Company's future exploration, development and acquisition activities will result in proved reserves or that the Company will be able to drill productive wells at acceptable costs.

The cost of drilling, completing and operating wells is often uncertain, and drilling operations may be curtailed, delayed or cancelled as a result of a variety of factors, including unexpected drilling conditions, pressure or irregularities in formations, equipment failures or accidents, adverse weather conditions, compliance with governmental requirements and shortages or delays in the availability of drilling rigs and the delivery of equipment. Most of the properties in which the Company has an interest are prospects in which the presence of oil and natural gas reserves in commercial quantities has not been established. There is no certain way to know in advance whether such prospects will yield oil and/or gas in commercial quantities.

Exploration for oil and natural gas is a speculative business that involves a high degree of risk. Few shale natural gas wells that are drilled are ultimately developed commercially. There is no assurance that expenditures made by the Company on its U.S. or European properties will result in the discovery of commercial qualities of natural gas.

Reserve and Resource Estimates

The reserves presented in this AIF are derived from the calculations and estimates reported in "Evaluation of the Petroleum Reserves of BNK Petroleum (US) Inc. in the Ardmore Basin, Oklahoma", dated February 18, 2010 (with an effective date of December 31, 2009) prepared by MHA. Actual production, revenues, expenditures and future cash flow with respect to such reserves will vary from these estimates, and those variances may be material. There are many factors, assumptions and variables involved in estimating reserves, many of which are beyond the Company's control and over time, may prove to be incorrect. Any material variation could have an adverse effect on the Company's financial condition and results of operations.

Exploration, Production and General Operational Risks

The business of exploration for and production of oil, gas and other hydrocarbon resources involves a high degree of risk. In particular, the operations of the Company may be disrupted, curtailed or cancelled as a result of a variety of risks and hazards which are beyond the control of the Company including technical failures, environmental hazards, industrial accidents, occupational and health hazards, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment, compliance with governmental requirements, explosions and other accidents. These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability.

Delays in the construction and commissioning of gathering and processing facilities, other projects or various other technical difficulties may result in the Company's current or future projected target dates for production being delayed and capital expenditures in excess of those estimated being required.

It is still very early in the life cycle of the various projects in which the Company has an interest. While certain of the projects have geological similarities to other productive projects in the U.S., there is no assurance that additional reserves or resources will be discovered or, if discovered it will be commercially viable to produce any portion of them and drilling costs may also be higher than anticipated. Completion activities across its properties may vary and will need to be continually refined with attendant increased costs.

Drilling may involve unprofitable efforts, not only with respect to dry wells, but also with respect to wells which, though they yield some oil or gas, are not sufficiently productive to justify commercial development or to cover operating and other costs.

Production

Risks related to development of the Company's properties with assigned reserves including, but not limited to, technical difficulties, increased costs, reduced sales price or demand for natural gas produced from the project, are borne by the Company, and if realized could have a material adverse effect on the Company's financial condition and results of operations.

Oil and Gas Prices and Marketability

The Company's results of operations and financial condition are dependent on the prices received for its oil and natural gas production. Oil and natural gas prices have fluctuated widely during recent years and are determined by factors beyond the Company's control, including global supply and demand, international economic and political conditions, weather, gas processing capacity, pipeline capacity and currency exchange rates. Future price fluctuations in world oil and gas prices will have a significant impact upon the projected revenue of the Company and the projected return from and the financial viability of the Company's existing and future reserves. Any decline in oil and natural gas prices could have a material adverse effect on the Company's operations, financial condition, proven reserves and the level of expenditures of the development of its oil and natural gas reserves. There is no assurance that a market will exist for oil and natural gas reserves discovered within the Company's properties. There is also no assurance that the Company will be able to access transportation systems for the transportation to the marketplace of any oil or gas that may be produced from the Company's properties.

Hedging Activities

From time to time the Company enters into agreements to receive fixed prices on its oil and gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, the Company will not benefit from such increases. The Company currently has three hedging agreements which expire between November 2010 and March 2011.

Fiscal Matters

The Company is exposed to interest rate risk fluctuations in market interest rates on its bank loan and subordinated loan from Bankers, which bear floating rates of interest. The Company has no interest rate swap or financial contracts in pace to mitigate such interest risk.

Currently, there are no significant restrictions on the repatriation of capital and distribution of earnings from the U.S. or European Union to foreign entities. There can be no assurance, however, that restrictions on repatriation of capital or distributions of earnings will not be imposed in the future.

Amendments to current taxation laws and regulations which alter tax rates and/or capital allowances could have a material adverse impact on the Company.

The Company is subject to a variety of currency risks, including the risks that currencies will not be convertible at satisfactory rates, that fluctuations in the conversion rates between Canadian, U.S., European and Polish currencies may result in higher general and administrative expenses or may not accurately reflect the relative value of goods and services available or required in Poland, and that inflation will lead to the devaluation of the Polish zloty. The exchange rates between the Canadian, U.S., European and Polish currencies have varied substantially recently. The Company is not currently using exchange rate derivatives to manage exchange rate risks.

Global Financial Crisis

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, have caused significant volatility and a significant overall decline of oil and natural gas prices. These conditions worsened in the fall of 2008 and continued through much of 2009, causing a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions.

As a result of the weakened global economic situation, the Company along with all participants in the oil and gas industry will face reduced cash flow and have restricted access to capital and increased borrowing costs. The lending capacity of all financial institutions has diminished and risk premiums have increased independent of the Company's business and asset base. As future capital expenditures will be financed out of cash generated from operations, borrowing and possible future equity sales, the Company's ability to do so is dependent on, among other factors, the overall state of capital markets and investor demand for investments in the energy industry and the Company's securities in particular.

To the extent that external sources of capital become limited or unavailable or available on onerous terms, the Company's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result.

Third Party Credit Risk

The Company may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners or other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures could have a material adverse effect on the Company. In addition, poor credit conditions in the industry and of joint ventures partners may impact a joint venture partner's willingness to participate in the Company's ongoing capital programs, potentially delaying the programs and the results of such program until the Company finds a suitable alternative partner.

Competitive Conditions

The oil and gas industry is highly competitive. The Company competes for leases in shale gas basins in which it is active in the U.S. and now in Europe with a number of private and public companies some of which have greater financial resources, staff and facilities than the Company.

The Company competes with other industry participants for the sourcing and availability of equipment, raw materials and component parts necessary in petroleum and natural gas exploration and development. To date, the Company has had little difficulty obtaining the materials it requires for its activities, although rig and service availability and pricings can vary based on demand.

The Company’s ability to increase reserves in the future will depend, not only on its ability to develop or continue to develop existing properties, but also on finding and acquiring suitable producing properties or prospects for development and exploratory drilling. Competitive factors in the distribution and marketing of oil and gas include price, methods, pipeline access and reliability of delivery and availability of imported products.

Competitive factors in the distribution and marketing of oil and gas include but are not limited to price, methods and reliability of delivery, all of which may be affected by factors beyond the Company’s control, and could adversely affect the Company’s financial condition and results of operations.

Availability of Equipment and Access Restrictions

Oil and gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities. There can be no assurance that sufficient drilling and completion equipment, services and supplies will be available when needed. Shortages could delay the Company’s proposed exploration, development and sales activities, and could have a material adverse effect on the Company’s financial condition. If the demand for, and wage rates of, qualified rig crews rise in the drilling industry then the oil and gas industry may experience shortages of qualified personnel to operate drilling rigs. This could delay the Company’s drilling operations and adversely affect the Company’s financial condition and results of operations. To the extent the Company is not the operator of its oil and gas properties, the Company will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

It is anticipated that additional processing facilities may need to be constructed as production increases with the drilling of new wells. Should difficulties arise due to lack of financial resources or facility capacity, the Company’s growth could be adversely affected.

Delays in Production, Marketing and Transportation

Various production, gas processing, marketing and transportation conditions may cause delays in oil and natural gas production and adversely affect the Company's business. Drilling wells in areas remote from distribution and production facilities may delay production from those wells until sufficient reserves are established to justify construction of the necessary transportation and production facilities. The Company's inability to complete wells in a timely manner would result in production delays. In the U.S., most private leases require actual production to hold the lease past the expiration of the primary term, with some limited contractual extensions available. Because there is little infrastructure in some areas in which the Company holds its interests, the Company is subject to the risk that building of the necessary infrastructure will not be timely. In addition, marketing demands, which tend to be seasonal, may reduce or delay production from wells. The marketability and price of oil and natural gas that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. The ability of the Company to market any natural gas it discovers may depend upon its ability to acquire space in pipelines that deliver natural gas to commercial markets. The Company is also subject to deliverability uncertainties related to the proximity of its reserves to adequate pipeline and processing facilities and extensive government regulation relating to price, taxes, royalties, licences, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Reliance on Third Party Operators and Key Personnel

To the extent that the Company is not the operator of its properties, the Company will be dependent upon other guarantors or third parties' operations for the timing of activities and will be largely unable to control the activities of such operators. In addition, the Company's success depends, to a significant extent, upon management and key employees. The loss of key employees could have a negative effect on the Company. Attracting and retaining additional key personnel will assist in the expansion of the Company's business. The Company faces significant competition for skilled personnel. There is no assurance that the Company will successfully attract and retain personnel required to continue to expand its business and to successfully execute its business strategy.

Reserves Depletion

The Company's future oil and gas reserves, production and cash flow will depend upon the Company's success in acquiring additional reserves. Failure to add reserves by acquiring or developing them will result in reserves and production declining over time.

Exploration, Production and Other Licences

The Company's exploration, production, and processing activities are dependent upon the agreements with third parties and the grant and maintenance of appropriate licences, concessions, leases, permits and regulatory consents (collectively referred to herein as "**Authorizations**") which may not be renewed, renewable, extended or granted, or may be withdrawn, or made subject to limitations. Although the Company believes that the Authorizations will be granted, extended or renewed (as the case may be), there can be no assurance that such Authorizations will be renewed or granted, or that the terms and costs of such grants, extensions or renewals will be economic or on terms that the Company can achieve.

The land areas covered by the Authorizations are or may be subject to agreements with the proprietors of the land. If such agreements are terminated, found void or otherwise challenged, the Company may suffer significant damage through the loss of opportunity to identify and extract oil or gas on any property covered by such agreements. Furthermore, certain leases and rights to extension of leases are held by drilling commitments and could be lost if for any reason such drilling commitments are not met including, but not limited to, a lack of financial resources or unavailability of drilling rigs when required.

Title to Properties

Title to oil and gas interests is often not capable of conclusive determination without incurring substantial expense. Vintage did not warranty title to the assets acquired from it by the Company. The nature of the oil and gas leasing and title regime in the basins in which the Company holds an interest is such that interests in large tracts of acreage may be represented by hundreds or thousands of leases and obtaining absolute confirmation of chain of title would be time consuming and expensive. The Company conducts such title reviews in connection with its principal properties as it believes are commensurate with the value of such properties and conducts an extensive title review of a particular area prior to commencement of drilling. However, there can be no assurance of title. Title may be subject to unregistered liens and other defects which, if affecting a core area, could have a material adverse effect on the Company, its financial condition, results of operations and prospects.

Governmental Regulations and Processing Licences

Governmental approvals, licences and permits are subject to the discretion of the applicable governments or governmental agencies and offices. The Company must comply with known standards, existing laws and regulations. New laws and regulations, amendments to existing laws and regulations or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Company's results of operations, financial condition and prospects.

The Company anticipates that it will be required to demonstrate, to the satisfaction of the Polish authorities, the Company's compliance with the concession terms respecting exploration expenditures, results of exploration, environmental protection matters and other factors. Although the exploration and exploitation rights of the Company may be cancelled by the Company at any time, the Company would likely not be able to recover previous payments made under the rights or any other costs incurred respecting the rights upon such cancellation. There can be no assurance that the Company will be able to take measures to provide adequate protection against any of the political, economic or social uncertainties discussed above.

Enforcement of Laws

Enforcement of laws in the jurisdictions in which the Company operates may depend on and be subject to the interpretation placed upon such laws by the relevant local authority, and such authority may adopt an interpretation of an aspect of local law which differs from the advice that has been given to the Company. There can be no assurance that the Company's contracts, joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of governments or government bodies or authorities and the effectiveness of and enforcement of such arrangements in these jurisdictions.

Litigation

Legal proceedings, claims or alleged claims may arise from time to time in the course of the Company's business and operations. There have been a number of cases where the rights and privileges of oil and gas companies have been the subject of litigation. The Company cannot predict whether such litigation may be brought against the Company in the future from time to time or that it may be subject to any other form of litigation or claim.

Environmental Protection

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Further, the Company is obliged to indemnify Vintage for any damages associated with the use, ownership or operation of the properties acquired from it and Bankers has guaranteed the Company’s indemnification obligations. While the Company considers the risk of environmental liability to be low based on its due diligence and on past operations on the properties, there is no assurance that a significant liability will not be discovered and such an event could have a material adverse effect on the Company’s financial condition, results of operations and prospects.

Decommissioning Costs

The Company may become responsible for costs associated with abandoning and reclaiming wells, facilities and pipelines which it may use for production of oil and gas. Abandonment and reclamation of facilities and the costs associated therewith is often referred to as “decommissioning”. There are no immediate plans to establish a cash reserve account for these potential costs. Rather, the costs of decommissioning are expected to be paid from the proceeds of production in accordance with the practice generally employed in onshore and offshore oil field operations. The Company makes a provision for asset retirement obligations in the financial statements in accordance with Canadian generally accepted accounting principles, however, there is no requirement to set up cash reserves. Should decommissioning be required, the costs of decommissioning may exceed the value of hydrocarbon reserves remaining at any particular time to cover such decommissioning costs. The Company may have to draw on funds from other sources to satisfy such costs. The use of other funds to satisfy such decommissioning costs could have a materially adverse effect on the Company’s financial position and future results of operations.

Labour

The Company is somewhat dependent on local labour to carry out site work on its projects. The Company has directly employed local workers and is subject to local labour laws. While the Company has not been materially adversely affected by any labour related developments or industrial action in the past, there can be no assurance that such developments or actions may not occur in the future. Such occurrences may have a material adverse impact on the business, operations, prospects and financial performance of the Company.

Uninsured Risks

The Company, as a participant in oil and gas extraction projects, may become subject to liability for hazards which cannot be insured against or against which it may elect not to be insured because of high premium costs or other commercial reasons. The Company may incur liabilities to third parties (in excess of any insurance coverage) arising from pollution or other damage or injury. There can be no assurance that the Company will be able to obtain insurance at reasonable rates (or at all) or that any coverage it obtains will be adequate and available to cover any such claims.

Foreign Operations

The Company’s assets are located in the U.S. and Poland and the Company is in the process of acquiring additional concessions in other European countries. As such, the Company is subject to political, economic and other uncertainties not within the control of the Company, including, but not limited to, the uncertainty of negotiating with foreign governments, adverse legislation in the U.S., Poland and/or the European Union, renegotiation or nullification of existing concessions, adverse determinations or rulings by governmental authorities, change in energy policies or in the personnel administering them, changes in rules regarding foreign ownership, disputes between various levels of authorities, arbitrating and enforcing claims against entities that may claim sovereignty, authorities claiming jurisdiction, potential implementation of exchange controls and royalty and government take increases and other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations are conducted, as well as risks of loss due to civil strife, acts of war and insurrections.

The Company's international operations and investments may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with its foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts of Canada or enforcing Canadian judgments in foreign jurisdictions. In addition, the Company's existing operating subsidiary is formed pursuant to, and its operations are governed by, a number of complex legal and contractual relationships. The effectiveness of and enforcement of such contracts and relationships with parties in these jurisdictions cannot be assured. Consequently, the Company's foreign activities could be substantially affected by factors beyond the Company's control, any of which could have a material adverse effect on the Company.

Further, as almost all of the Company's assets are located outside of Canada, the ability of the Company and its directors and management to manage its operations and protect its assets may be materially impeded or affected.

Cost of New Technologies

The oil and gas industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other oil and gas companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before the Company does. There can be no assurance that the Company will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilized by the Company or implemented in the future may become obsolete. In such case, the Company’s business, financial condition and results of operations could be materially adversely affected. If the Company is unable to utilize the most advanced commercially available technology, the Company’s business, financial condition and results of operations could be materially adversely affected.

Conflicts of Interest

Certain of the directors of the Company may have associations with other oil and gas companies or with other industry participants with whom the Company does business. The directors of the Company are required by applicable corporate law to act honestly and in good faith with a view to the Company’s best interests and to disclose any interest which they may have in any project or opportunity to the Company. However, their interests in the other companies may affect their judgment and cause such directors to act in a manner that is not necessarily in the best interests of the Company. See “Directors and Officers – Conflicts of Interest”.

DIVIDENDS

The Company has not paid any dividends on its common shares. Any decision to pay dividends on BNK Shares in the future will be made by the board of directors on the basis of the earnings, financial requirements and other conditions existing at such time.

GENERAL DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized share structure of the Company consists of an unlimited number of BNK Shares without par value. The holders of the BNK Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each BNK Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the BNK Shares, subject to the prior rights, if any, of the holders of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the board of directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the BNK Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

As at March 18, 2010 there were 101,400,379 BNK Shares issued and outstanding.

Stock Options

The Company's stock option plan (the "**Plan**") permits grants of options to directors, officers, employees and service providers as additional compensation and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options do not confer on the holder any rights to vote at a meeting of the shareholders of the Company. The number of shares subject to each stock option is determined by the Board of Directors (or Compensation Committee) provided that the Plan, together with all other previously established or amended and restated share compensation arrangements, may not result in:

(a) the number of BNK Shares of the Company reserved for issuance pursuant to stock options granted to insiders exceeding 10% of the outstanding issue;

(b) the issuance, to insiders of the Company of a number of BNK Shares of the Company exceeding, within a one year period, 10% of the outstanding issue; or

(c) the issuance, to any one insider of the Company and such insider's associates, of a number of BNK Shares of the Company exceeding, within a one year period, 10% of the outstanding issue.

The maximum number of BNK Shares of the Company which may be issued pursuant to stock options granted under the Plan, unless otherwise approved by shareholders, is 10% of the issued and outstanding BNK Shares at the time of the grant. Any increase in the issued and outstanding BNK Shares will result in an increase in the available number of BNK Shares issuable under the Plan, and any exercises of stock options will make new grants available under the Plan.

The exercise price of an option may not be set at less than the closing market price of the common shares of the Company on the TSX on the trading day immediately preceding the date of grant of the option. The options may be exercisable for a period of up to ten years, such period and any vesting schedule to be determined by the Board of Directors (or Compensation Committee) of the Company, and are non-assignable, other than pursuant to a will or by the laws of descent and distribution. Unvested options shall be immediately exercisable in the event of a take-over bid or change of control, as defined in the Plan.

In February 2009, the Company’s directors, employees and consultants who had held 4.9 million stock options voluntarily cancelled their options. During 2009, 6,975,000 stock options were granted to directors, officers, employees and service providers and 50,000 options expired. As at March 18, 2010, there were 6,970,667 stock options outstanding under the Plan and an additional 500,000 options outstanding that were granted, subject to TSX approval, in connection with the hiring of an executive officer. These options have an exercise price of $2.12 per share, a term of five years, and vest as to 1/3 on the date of grant and 1/3 on the first and second anniversary of the date of grant and are otherwise subject to the terms and conditions of the Plan.

MARKET FOR SECURITIES

Market

The BNK Shares are listed and trade on the TSX under the symbol "BKX".

Trading Price and Volume – Common Shares

The following table sets forth the trading price and volume of the BNK Shares on the TSX during the most recently completed financial year:

Month	High	Low	Close	Volume
January 2009	0245	0.130	0.155	3,126,613
February 2009	0.180	0.105	0.160	3,394,821
March 2009	0.220	0.125	0.185	6,954,015
April 2009	0.195	0.145	0.150	2,821,683
May 2009	0.390	0.130	0.380	6,601,870
June 2009	0.490	0.315	0.380	3,358,255
July 2009	0.740	0.280	0.740	6,084,927
August 2009	0.810	0.670	0.690	4,268,153
September 2009	1.100	0.690	1.020	12,238,295
October 2009	1.750	1.020	1.320	9,967,674
November 2009	1.370	1.050	1.060	10,518,959
December 2009	1.220	0.950	1.180	4,594,529

PRIOR SALES

During the Company's most recently completed fiscal year a total of 6,975,000 stock options were granted having an average exercise price of CDN$0.63.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth all current directors and executive officers of the Company as of the date of this AIF, with each position and office held in the Company, and the period of service as a director of the Company (if applicable). Each director's term of office expires at the next annual general meeting of shareholders.

Name, Position and Country of Residence	Principal Occupation During the Past 5 Years	Director Since
Wolf Regener California, USA President and Chief Executive Officer of the Company	President and CEO of the Company since July 2008; Executive Vice-President of Bankers and President of Bankers US from January 2006 to June 2008; private consultant February 2005 to December 2005; Senior Vice-President, Tartan Energy USA Corp (Camarillo), January 2003 to December 2005; President, R&R Resources, LLC (Camarillo), December 1997 to present.	Not Applicable
Ford G. Nicholson (2),(3) British Columbia, Canada Chairman (non-executive), Director	President and director Bankers U.S., January 2005 to August 2006. President Kepis & Pobe Investments Inc., a private investment company since July 2001.	June 27, 2008
Robert Cross (1)(2)(3) British Columbia, Canada Director	Serves as independent director and, in some cases, non-executive Chairman of public companies principally in the resource sector.	June 27, 2008
Victor Redekop(1), (2) Alberta, Canada Director	President, Simmons Energy Services, a private drilling services company.	June 27, 2008
Eric Brown(1)(3) Alberta, Canada Director	Private consultant from January 2009 to date. Senior Vice-President, Tamarack Capital Advisors Inc. and Partner, Meyers Norris Penny LLP, from June 2006 to December 2008; Regional Managing Partner, Alberta Advisory Services, Meyers Norris Penny LLP, March 2002 to May 2006; Partner.	June 27, 2008
General Wesley Clark (retired) Little Rock, Arkansas, USA Director	Chief Executive Officer of Wesley K. Clark and Associates since 2003. General in the United States Army prior to 2004.	July 21, 2009
C.S. (Juneyt) Tirmandi Alberta, Canada Chief Financial Officer	Chief Financial Officer of the Company since July 2008; Chief Financial Officer Bankers, December 2005 to February 2008; Senior Vice-President, Tamarack Capital Advisors Inc., a corporate finance firm, November 2004 to December 2005.	Not Applicable

Name, Position and Country of Residence	Principal Occupation During the Past 5 Years	Director Since
James Hill California, U.S.A. Vice President Exploration and New Ventures	Vice President of Exploration since July 2008; Vice President of Exploration of Bankers Petroleum from January 2006 to June 2008, Vice-President Exploration, Tartan Energy USA Corp (Camarillo), January 2003 to December 2005; President, CalTerra Energy , LLC (Camarillo), December 1996 to present.	Not Applicable
Warren Nelson California, U.S.A. Vice President	Vice President since March 2010. Founder and Director of AmeriTies Holdings, LLC since November 2003. Interim Chief Financial Officer of Venoco, Inc. from 2004 to 2005.	Not Applicable

Notes:
(1) Member of the Audit Committee.
(2) Member of the Corporate Governance Committee.
(3) Member of the Compensation Committee.

Control of Securities

As at December 31, 2009, the directors and executive officers of the Company as a group beneficially owned, or exercised control or direction over, directly or indirectly an aggregate of 15,015,060 BNK Shares, representing approximately 14.80% of the issued and outstanding BNK Shares.

Committees of the Board of Directors

The committees of the board of directors of the Company and the directors serving on each of the committees are described below:

Audit Committee

The Audit Committee consists of Eric Brown (Chair), Robert Cross and Victor Redekop. The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on, and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls.

Corporate Governance Committee

The Company has established a Corporate Governance Committee which consists of Ford Nicholson, Robert Cross and Victor Redekop. The corporate governance committee is responsible for reviewing the procedures in place for ensuring compliance with appropriate standards of corporate governance by the Company.

Compensation Committee

The Compensation Committee consists of Ford Nicholson, Robert Cross and Eric Brown.

The compensation committee determines overall compensation policies as well as the terms and conditions of service of (including the remuneration) the President and Chief Financial Officer and makes recommendations to the Board concerning the grant of options to executive officers.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Ford Nicholson, a director of the Company was a director of Sepik Gold Corporation from May 1996 to December 2001. The company did not have adequate funds to complete its 2000 year-end audit and was cease traded in December 2001 at which time Mr. Nicholson resigned from the board of the company.

Other than as disclosed below, to the knowledge of the Company, no director or executive officer of the Company or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or was within 10 years prior to the date hereof, was a director, chief executive officer or chief financial officer of any company that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Company, no director or executive officer of the Company or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

For the purposes of the disclosure above regarding the directors, executive officer or shareholder, “order” means: (a) a cease trade order, including a management cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other reporting and private companies or have significant shareholdings in other reporting and private companies and, to the extent that such other companies may participate in ventures in which the Company may participate, or contract with the Company such directors and officers of the Company may have a conflict of interest in negotiating and concluding terms of such ventures or contracts. From time to time, several such companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In such circumstances directors and officers of the Company who are also directors and officers of other companies involved in such a transaction may experience a conflict or potential that could detract from their efforts on behalf of the Company. In the event of an actual or potential conflict of interest, a director who has such a conflict will abstain from voting on the matter and such director will not participate in negotiating and concluding terms of any proposed transaction. Under the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company and to disclose any conflict of interest. The Company's Code of Ethics imposes similar obligations on officers and employees. See also "Risk Factors" and "Interest of Management in Material Transactions".

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate

The Company's Audit Committee has a charter in the form attached to this AIF as Schedule "A".

Composition of the Audit Committee

The Audit Committee consists of three directors, namely Eric Brown (Chair), Robert Cross and Victor Redekop. All of the members of the Audit Committee are independent and financially literate within the meaning of National Instrument 52-110 ("**NI 52-110**").

Relevant Education and Experience

The following is a description of the education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member:

Eric Brown (Chair)

Mr. Brown is a Chartered Accountant with several years experience as a director of both private and public Canadian companies. He has served on public company audit committees in the past. Eric possesses over 28 years experience in the financial services industry.

Robert Cross

Mr. Cross has more than 20 years of experience as a financier in the mining and oil & gas sectors. He is a co-founder and Non-Executive Chairman of Bankers, Non-Executive Chairman of B2Gold Corp., co-founder and Chairman of Petrodorado Ltd., and until October 2007, was the Non-Executive Chairman of Northern Orion Resources Inc. Between 1996 and 1998, Mr. Cross was Chairman and Chief Executive Officer of Yorkton Securities Inc. From 1987 to 1994, he was a Partner, Investment Banking with Gordon Capital Corporation in Toronto. He has an Engineering Degree from the University of Waterloo, and received his MBA from Harvard Business School in 1987.

Victor Redekop

Mr. Redekop is a Chartered Accountant. He has over 30 years experience in a senior management capacity with various companies.

Reliance on Certain Exemptions

At no time since the inception of the Company has the Company relied on an exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), Section 3.2 of NI 52-110 (*Initial Public Offerings*), Section 3.3(2) of NI 52-110 (*Controlled Companies*), Section 3.4 of NI 52-110 (*Events Outside Control of Member*), Section 3.5 of NI 52-110 (*Death, Disability or Resignation of Audit Committee Member*) or Section 3.6 of NI 52-110 (*Temporary Exemption for Limited and Exceptional Circumstances*), on an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*) or on Section 3.9 of NI 52-110 (*Acquisition of Financial Literacy*)**.**

Audit Committee Oversight

At no time since the inception of the Company was a recommendation of the audit committee to nominate or compensate an Independent Registered Chartered Accountant not adopted by the board of directors of the Company.

Pre-Approval Policies and Procedure

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter.

External Auditor Services Fees (By Category)

The aggregate fees billed by the Company's external auditors during the year ended December 31, 2009 and 2008 are as follows:

	Audit Fees	**Audit Related Fees(1)**	**Tax Fees**	**All Other Fees(2)**
2009	$53,565	$16,020	$13,306	$60,338
2008	$75,000	$18,288	$ -	$8,128

Notes:
(1) Quarterly reviews
(2) Assistance in internal control certification, review of prospectus disclosures

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company and its properties are not subject to any legal proceedings, nor are any proceedings known to be contemplated that involves a claim for damages that exceeds 10% of the current assets of the Company. No penalties or sanctions were imposed against the Company by a court relating to securities legislation or by a securities regulatory authority and the Company did not enter into any settlement agreements before a court in respect of securities legislation or with a securities regulatory authority during the most recently completed financial year or prior to the date of this AIF.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

A Company controlled by Mr. Regener, the President and Chief Executive Officer of the Company, holds a prior 0.5% gross overriding royalty interest in certain of the Palo Duro Basin leases. James Hill, Vice President Exploration – New Ventures and Secretary of BNK US, also holds a 0.5% gross overriding royalty interest in certain of the Palo Duro Basin leases. These interests were acquired before Mr. Regener and Mr. Hill became officers of the Company.

In 2009, three directors and the Chief Executive Officer of the Company provided interim loans to the Company in the aggregate amount of $1,087,000. The loans were unsecured, non-interest bearing and were repaid in 2009.

Except as disclosed in this AIF, to the knowledge of the Company no director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction during the current financial year prior to the date of this AIF that has materially affected or will materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc., located at 600, 530 – 8th Avenue SW, Calgary, Alberta T2P 3S8.

MATERIAL CONTRACTS

There are no contracts of the Company, other than contracts entered into in the ordinary course of business of the Company, that are material to the Company and that were entered into within the most recently completed financial year of the Company or before the most recently completed financial year of the Company and which are still in effect. The Credit Agreement dated as of April 14, 2009 made between BNK Petroleum (US) Inc. and Wells Fargo, described under "Summary Description of the Business-Recent Financings" is filed pursuant to National Instrument 51-102 *Continuous Disclosure Obligations.*

INTERESTS OF EXPERTS

Names of Experts

Information in Company's National Instrument 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* as at December 31, 2009, is derived from a report prepared by MHA titled "Evaluation of the Petroleum Reserves of BNK Petroleum, Inc. in the Ardmore Basin, Oklahoma, as of December 31, 2009" dated February 18, 2010, with an effective date of December 31, 2009.

Interests of Experts

To the knowledge of the Company, none of the experts named under "Names of Experts", at the time of preparing the applicable statement or report, held or has received or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates in connection with the preparation or certification of any statement, report or valuation prepared by such person.

Auditors

KPMG LLP Chartered Accountants, of 2700, 205 – 5th Avenue SW, Calgary, AB T2P 4B9, is the independent auditor of the Company in accordance with the auditors rules of professional conduct in the Province of Alberta.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Company's Information Circular for its most recent annual general meeting of security holders that involved the election of directors.

Additional financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2009.

SCHEDULE "A" - AUDIT COMMITTEE CHARTER

I. Mandate

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

II. Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, all of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

All members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

III. Meetings

The Committee shall meet at least quarterly, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

IV. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

<u>Documents/Reports Review</u>

1. Review and update this Charter annually.

2. Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

3. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.

4. Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.

5. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

6. Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.

7. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

8. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

9. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

10. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

    i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

    ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and

iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

12. In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

13. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

14. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

15. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

16. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

17. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

18. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

19. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

20. Review certification process.

21. Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

22. Review any related-party transactions.

V. Annual Work Plan

	Spring	Fall
Review audit plan and year-end statements template	✓	✓

	Spring	Fall
Review accounting systems and procedures	✓	✓
Review auditors' letter of recommendation	✓	✓
Review financial and accounting human resources	✓	✓
Review Committee's charter and membership	✓	✓
Review and recommend year-end financial statements	✓	✓
Review MD&A	✓	✓
Review external auditors' work, independence and fees	✓	✓
Recommend auditors for the ensuing year	✓	✓
Review and reassess the adequacy of the Code of Ethics for Financial Reporting Officers	✓	✓
Review any proposed prospectus filings or similar filings		

This Audit Committee Charter was adopted by the Board of Directors of the Company on the 25th day of March, 2009.

By order of the Board of Directors

BNK PETROLEUM INC.