



**Notice of Meeting
and
Proxy Statement and Management Information Circular**

With Respect to the
**Annual General and Special Meeting
of Shareholders**
To be held on Wednesday, May 27, 2009

Dated April 24, 2009



Dear Shareholder:

You are invited to attend the Annual General and Special Meeting of Shareholders of BNK Petroleum Inc. to be held in the Dixon Room, at the offices of Macleod Dixon LLP, 3700 Canterra Tower 400 Third Avenue SW, Calgary, Alberta, on Wednesday, May 27, 2009, at the hour of 3:00 P.M. (Calgary time).

The business of the meeting is described in the accompanying Notice of Meeting and Management Information Circular.

Your participation in the meeting is important regardless of the number of shares you hold. If you cannot attend the meeting, please vote by completing the form of proxy and returning it by no later than 3:00 p.m. (Calgary time) on May 25, 2009 in the manner described in the Management Information Circular for information about how to vote your shares.

We look forward to seeing you at the meeting.

Ford Nicholson

Wolf Regener

“Ford Nicholson”

“Wolf Regener”

Chairman of the Board

President and Chief Executive Officer

BNK PETROLEUM INC.
Suite 800, 906 – 12 Avenue S.W.
Calgary, Alberta T2R 1K7

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general and special meeting of the shareholders of **BNK Petroleum Inc.** (the "Company") will be held in the Dixon Room, at the offices of Macleod Dixon LLP, 3700 Canterra Tower 400 Third Avenue SW, Calgary, Alberta, on Wednesday, May 27, 2009, at the hour of 3:00 P.M., Calgary time, for the following purposes:

1. To receive and consider the report of the directors and the consolidated financial statements of the Company together with the auditor's report thereon for the financial year ended December 31, 2008.
2. To fix the number of directors at six (6).
3. To elect directors for the ensuing year.
4. To appoint the auditors for the ensuing year, and

Authorize the directors to fix the remuneration to be paid to the auditors.
5. To approve the Company's stock option plan.
6. To transact such further or other business as may properly come before the meeting and any adjournments thereof.

The accompanying information circular provides additional information relating to the matters to be dealt with at the meeting and is deemed to form part of this notice.

If you are unable to attend the meeting in person, please complete, sign and date the enclosed form of proxy and return the same in the enclosed return envelope provided for that purpose within the time and to the location set out in the form of proxy accompanying this notice.

DATED this 24th day of April, 2009.

**By Order of the Board of Directors of BNK
Petroleum Inc.**

“Wolf Regener”

**Wolf Regener
President and Chief Executive Officer**

**BNK Petroleum Inc.
Suite 800, 906 – 12 Avenue S.W.
Calgary, Alberta T2R 1K7**

MANAGEMENT INFORMATION CIRCULAR

Dated April 24, 2009

The Company is providing this information circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general and special meeting (the "Meeting") of the Company to be held on May 27, 2009 and at any adjournments. Unless the context otherwise requires, when we refer in this information circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "Management Proxyholders").

A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.

VOTING BY PROXY

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Common shares of the Company ("Shares") represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., #600, 530 – 8th Avenue SW, Calgary, Alberta, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "Nominee"). If you purchased your shares through a broker, you are likely to be an unregistered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your Shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation now permits the Company to forward meeting materials directly to "non objecting beneficial owners". If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

REVOCABILITY OF PROXY

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. ***Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.***

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Shares without par value, of which 68,350,379 Shares are issued and outstanding as at December 31, 2008. Persons who are registered shareholders at the close of business on April 22, 2009 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company except as disclosed below, no person beneficially owns, controls or directs directly or indirectly shares carrying 10% or more of the voting rights attached to all shares of the Company.

BUSINESS OF THE ANNUAL AND SPECIAL SHAREHOLDER MEETING

Receipt of the Financial Statements and Auditor's Report

The consolidated financial statements of the Company for the year ended December 31, 2008 and the auditors' report thereon will be placed before the shareholders at the meeting.

Under National Instrument 51-102 – *Continuous Disclosure Obligations*, a person or corporation who in the future wishes to receive interim financial statements from the Company must deliver a written request for such material to the Company, together with a signed statement that the person or corporation is the owner of securities (other than debt instruments) of the Company. If you wish to receive interim financial statements you are encouraged to send the enclosed return card, together with the completed form of proxy to Computershare Investor Services Inc. at 600, 530 - 8th Avenue SW, Calgary, Alberta.

Election of Directors

The directors of the Company are elected at each annual meeting and hold office until the next annual meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Currently there are four directors of the Company. Shareholder approval will be sought to fix the number of directors of the Company at six (6).

The Company has a Compensation Committee, a Corporate Governance Committee and an Audit Committee. Members of these committees are as set out below.

Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual is as follows:

Name, Jurisdiction of Residence and Position	Principal Occupation, Business or employment	Previous Service as a Director	Number of Shares beneficially owned, or controlled or directed, directly or indirectly (4)
Ford Nicholson (2),(3) British Columbia, Canada Chairman and Director	The Chairman of BNK Petroleum Inc.; President of Kepis & Pobe Investments Inc., a private investment company, since July, 2001.	Since June 27, 2008	1,836,230
Robert Cross (1),(2),(3) British Columbia, Canada Director	Non-executive Chairman of Bankers Petroleum Ltd., from 2004 to date; Formerly Non-executive Chairman of Northern Orion Resources Inc. from July 2002 to 2005.	Since June 27, 2008	2,667,349
Victor Redekop (1), (3) Alberta, Canada Director	President, Simmons Energy Services, a private drilling services company.	Since June 27, 2008	625,000
Eric Brown (1),(2) British Columbia, 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, Cascadia Ventures Inc. March 1995 to February 2002.	Since June 27, 2008	34,050

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Member of the Corporate Governance Committee.

(4) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at April 22, 2009, based upon information furnished to the Company by individual directors. Unless otherwise indicated, such Shares are held directly.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

Except as disclosed below, to the knowledge of the Company no proposed director:

- (a) is, as at the date of the information circular, or has been, within 10 years before the date of the information circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity,
- (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) 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 of the information circular, 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 proposed director.

Ford Nicholson was a director of Sepik Gold Corporation (“Sepik”) from May 1996 to December 2001. Sepik 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 Sepik.

Certain directors of the Company are presently directors of other reporting issuers (see “Participation of Directors in Other Reporting Issuers”).

Appointment of Auditors

The shareholders will be asked to vote for the appointment of KPMG LLP, Chartered Accountants, of Calgary, Alberta, as auditors of the Company until the close of the next annual meeting, at such remuneration as may be approved by the board of directors of the Company. KPMG were first appointed auditors of the Company in May 2008.

Special Business

Approval of the Stock Option Plan

The Company's Option Plan which is attached hereto as Schedule “B” conforms in all material aspects to the policies implemented by the TSX in June 2006. A summary of the terms of the Option Plan can be found under the heading "Securities Authorized for Issuance under Equity Compensation Plans - Stock Option Plan" in this Information Circular.

A resolution to approve the Plan will be proposed at the Meeting. Approval requires the affirmative vote of the holders of a majority of the issued and outstanding common shares of the Company entitled to vote and represented in person or by proxy at the Meeting.

The persons named as proxyholder in the enclosed form of proxy intend to cast the votes represented by proxy in favour of the foregoing resolutions unless the registered holder who has given such proxy has directed that the shares be otherwise voted.

EXECUTIVE COMPENSATION AND REMUNERATION OF DIRECTORS

Summary Compensation Table

As at the end of fiscal 2008, the Company had four executive officers. The following table discloses, for the period indicated, total compensation received by the following executive officers: the President and Chief Executive Officer, the Chief Financial Officer, the Vice President, New Ventures, and Operations Manager (collectively, the “Named Executive Officers”) paid by the Company. The Named Executive Officers were the five highest paid executive officers of the Company during 2008.

Name and Principal Position	Year	Non-Equity Incentive Plan Compensation							Total Compensation
		Salary	Share-Based Awards	Option-Based Awards ⁽¹⁾⁽⁴⁾	Annual Incentive Plans ⁽²⁾	Long-Term Incentive Plans	Pension Value	All Other Compensation ⁽³⁾	
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Wolf Regener, President and Chief Executive Officer	2008	187,600	Nil	1,118,700	Nil	Nil	Nil	Nil	1,306,300
Cuneyt Tirmandi, ⁽⁶⁾ Chief Financial Officer	2008	120,000	Nil	167,800	Nil	Nil	Nil	Nil	287,800
James Hill, Vice President, New Ventures	2008	164,300	Nil	167,800	Nil	Nil	Nil	Nil	332,100
Robert Walton, Operations Manager	2008	164,300	Nil	223,700	Nil	Nil	Nil	Nil	388,000

Notes:

- (1) Represents options to purchase Shares of the Company, with each option upon exercise entitling the holder to acquire one Common Share. The grant date fair value has been calculated in accordance with Section 3870 of the CICA Handbook. Includes the annual award of options on July 18, 2008 expressed in Canadian dollars. See “Compensation Discussion and Analysis” for further details.
- (2) Annual Incentive Plan amounts represent discretionary bonuses earned in the year noted but paid in the following year. See ‘Compensation Discussion and Analysis’.
- (3) Nil indicates perquisites and other personal benefits did not exceed \$50,000 or 10 percent of the total of the annual salary of the Named Executive Officer in 2008. All Other Compensation includes perquisites and other benefits including vehicle allowance, parking, life insurance premiums, club membership fees and matching contributions made by the Company in respect of a registered retirement savings plan for the Named Executive Officer. This retirement benefit is available to all employees.
- (4) The actual value of the options granted to the Named Executive Officer will be determined based on the market price of the Common Shares at the time of exercise of such options, which may be greater or less than grant date fair value reflected in the table above. As at December 31, 2008, the value of stock options granted during 2008 would have been nil. See “Outstanding Share-Based and Option-Based Awards - Named Executive Officers”.
- (5) Effective February 6, 2009, the board of directors of the Company (the “Board”) approved a voluntary option surrender program with respect to the outstanding options issued to employees, officers and consultants. Of the 4,905,000 options issued and outstanding as of December 31, 2008, holders of 4,900,000 options surrendered their options.
- (6) Mr. Tirmandi was paid consulting fees from July 1, 2008 to December 31, 2008 through CST Financial Services Inc., a consulting company controlled by Mr. Tirmandi.

Outstanding Option-Based Awards - Named Executive Officers

The Company adopted a new stock option plan in 2008 (the "Option Plan") pursuant to which the Company may grant incentive stock options to officers, employees and consultants of the Company or any subsidiary thereof. For a description of the Option Plan, see "Equity Compensation Plans".

The following table sets forth information with respect to the outstanding stock options granted under the Option Plan to the Named Executive Officers as at December 31, 2008.

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$)	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have not Vested (\$)
Wolf Regener	1,000,000	2.00	July 18, 2013	Nil	666,700	Nil
Cuneyt Tirmandi	150,000	2.00	July 18, 2013	Nil	100,000	Nil
James Hill	150,000	2.00	July 18, 2013	Nil	100,000	Nil
Robert Walton	200,000	2.00	July 18, 2013	Nil	133,300	Nil

Note:

Effective February 6, 2009, the Board of Directors of the Company approved a voluntary option surrender program with respect to the outstanding options issued to employees, officers and consultants pursuant to which all Named Executive Officers surrendered their options.

The following table sets forth information in respect of the value of awards granted pursuant to the Option Plan to the Named Executive Officers of the Company that vested during the period ending December 31, 2008. There were no bonuses awarded to the Named Executive Officers during the year ending December 31, 2008.

Name	Option-Based Awards - Value Vested During Year ⁽¹⁾ (\$)	Share-Based Awards - Value Vested During Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During Year (\$)
Wolf Regener	Nil ⁽²⁾	Nil	Nil
Cuneyt Tirmandi	Nil ⁽²⁾	Nil	Nil
James Hill	Nil ⁽²⁾	Nil	Nil
Robert Walton	Nil ⁽²⁾	Nil	Nil

Notes:

- (1) Calculated based on the difference between the market value of the Shares on the applicable date of vesting and the applicable exercise price of the options which vested.
- (2) The actual value of the options granted to the Named Executive Officer will be determined based on the market price of the Shares at the time of exercise of such options, which may be greater or less than the value at the date of vesting reflected in the table above. As at December 31, 2008, the value of these unexercised stock options would have been nil as all of the options were "out-of-the-money".
- (3) Effective February 6, 2009, the Board of Directors of the Company approved a voluntary option surrender program with respect to the outstanding options issued to employees, officers and consultants pursuant to which all Named Executive Officers surrendered their options.

Pension Plans

The Company has not established a pension plan for the benefit of its executive officers.

Deferred Compensation Plans

The Company does not have any deferred compensation plans relating to a Named Executive Officer.

Employment Agreements and Termination and Change of Control Benefits

The Company does not have any employment agreements in place with any of its Named Executive Officers.

As consideration for the services provided by the Named Executive Officers, the Company has agreed to pay the Named Executive Officers an annual salary in an amount established by the Board of the Company, such amount to be determined by the Board in its annual salary review to be completed in the fourth quarter of each fiscal year and effective January 1 of the following year (or as otherwise adjusted during any given calendar year). Salaries for 2008 were determined in December 2007. In December 2007, the Compensation Committee made recommendations to the Board that the salaries payable to the Named Executive Officers set as disclosed in the Summary Compensation table above. BNK has also agreed that the Named Executive Officers may receive discretionary bonuses, grants of stock options, reimbursement of expenses, benefits and certain perquisites with the amounts paid in 2008 with respect to such matters set forth in the Summary Compensation Table.

The Company's stock option agreements, including those agreements with the Named Executive Officers, contain a provision that if a change of control occurs, all option shares will become vested, whereupon such options may be exercised in whole or in part subject to the approval of the TSX, if necessary.

In the event of termination (other than as a result of a change of control or an unsolicited takeover bid), all unvested stock options terminate as of the date of cessation of services. Vested stock options may be exercised for a period of 90 days following cessation of services.

Compensation of Directors

Directors of the Company do not receive any cash remuneration in their capacities as directors or members of the Board committees. Directors are eligible to receive grants of stock options under the Company's stock option plan. The Company does not have share based awards or non-equity incentives available to directors.

In 2008, the directors of the Company received no compensation for their services.

Outstanding Option-Based Awards - Directors

The following table sets forth information with respect to the outstanding option-based awards to directors under the Option Plan as at December 31, 2008, which remain unexercised or unvested, respectively.

	Option-Based Awards				
	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Value of Unexercised In-the-Money Options ⁽²⁾
Ford Nicholson	1,000,000	2.00	July 18, 2013	Nil	Nil
Robert Cross	1,000,000	2.00	July 18, 2013	Nil	Nil
Victor Redekop	300,000	2.00	July 18, 2013	Nil	Nil
Eric Brown	300,000	2.00	July 18, 2013	Nil	Nil

Notes:

- (1) Denotes that none of the optionees' options were in-the-money at the date of vesting. Calculated by determining the difference between the market price of the Shares on the applicable date of vesting and the applicable exercise price of the stock options.
- (2) Calculated based on the difference between the market value of the Shares at December 31, 2008 which was \$0.12 and the exercise price of the option.
- (3) Effective February 6, 2009, the Board approved a voluntary option surrender program with respect to the outstanding options issued to employees, officers and consultants pursuant to which all directors surrendered their options.

Payments to Related Parties

Non-executive directors did not receive any compensation from the Company or its subsidiaries for services rendered as a consultant or expert. Mr. Neville Jugnauth, the Corporate Secretary, is a partner of Macleod Dixon LLP, legal counsel to the Company. During the year ended December 31, 2008, approximately \$112,000 was paid to Macleod Dixon LLP in relation to legal fees for services rendered to the Company.

Composition of the Compensation Committee

The Compensation Committee is comprised solely of independent directors. During the fiscal year ended December 31, 2008, the Compensation Committee of the Board was comprised of Messrs. Ford Nicholson, Robert Cross and Eric Brown. None of Messrs. Nicholson, Cross or Brown is or was an officer, employee or former officer or employee of the Company or any of its affiliates or was indebted to the Company during the fiscal year ended December 31, 2008. Each of the members of the Compensation Committee is independent, as defined by applicable securities legislation and experienced in dealing with compensation matters. Each of the members of the Compensation Committee has senior executive positions requiring such individuals to be directly involved in the establishment of compensation philosophy and policies and the determination of total compensation. None of the members of the Compensation Committee is currently serving as Chief Executive Officer of another issuer, nor have they served in such capacity during the last three years.

Compensation Discussion and Analysis

The Company's executive compensation program is administered by the Compensation Committee (the "Committee"). As part of its mandate, the Committee reviews and recommends to the Board the remuneration of the Company's executive officers, including the Named Executive Officers identified in the Summary Compensation Table. The Committee is also responsible for reviewing the Company's compensation policies and guidelines generally. The Committee held one formal meeting during 2008.

The following Compensation Discussion and Analysis is intended to provide information about the Company's philosophy, objectives and processes regarding compensation for the executive officers of the Company. It explains how decisions regarding executive compensation are made and the reasoning behind these decisions.

Compensation Philosophy and Objectives of Compensation Programs

The Committee seeks to encourage growth in reserves, production, netbacks and cash flow while focusing on achieving attractive returns on capital in order to enhance shareholder value. To achieve these objectives, the Company believes it is critical to create and maintain compensation programs that attract and retain committed, highly qualified personnel by providing appropriate rewards and incentives.

The Company's compensation program is designed to reward the performance that contributes to the achievement of the Company's business strategy on both a short-term and long-term basis. In addition, the Company strives to reward qualities that it believes help achieve its strategy such as teamwork; individual performance in light of general economic and industry specific conditions; integrity and resourcefulness; the ability to manage the Company's existing assets; the ability to identify and pursue new business opportunities; responsibility and accountability; and tenure with the Company.

During the year ended December 31, 2008, the executive management team achieved significant milestones which were contemplated in the business plan and budgets of the Company and considered by the Committee in the establishment of 2008 compensation. Significant developments that were reflected in the 2008 compensation determination included:

- completion of the drilling program in the Tishomingo field in Oklahoma which resulted in the Company's retaining all of its leased acreage;
- successful completion of 20 wells in the Tishomingo field which are currently on production;
- 74% increase in proved plus probable reserves over 2007;
- growth in operating and financial results, including production, revenue, netbacks and cash flows over 2007; and
- expansion into eastern Europe to leverage the Company's shale gas experience.

These accomplishments were muted by a number of circumstances outside of the control of the Company primarily during the fourth quarter of 2008, including significant deterioration in the general economic conditions and rapid commodity price declines. These circumstances reflected negatively on the Company's 2008 operating and financial results and affected its ability to raise debt or equity capital to further its growth.

Compensation Mix

The Company compensates its executive officers through base salary, bonuses and the award of stock options under the Option Plan at levels which the Committee believes are reasonable in light of the performance of the Company under the leadership of the executive officers. The objective of the compensation program is to provide a combination of short, medium and long term incentives that reward performance and also encourage retention.

The following table provides a broad overview of the elements of the Company's compensation program. These elements of compensation apply universally to all full time employees of the Company.

Compensation Element	Award Type	Objective	Key Features
Base Salary	Salary	Provides a fixed level of regularly paid cash compensation for performing day-to-day executive level responsibilities.	Recognizes each officer's unique value and historical contribution to the success of the Company in light of salary norms in the industry and the general marketplace.
Annual Cash Bonuses	Annual non-equity incentive plan	Motivates executive officers to achieve key corporate objectives by rewarding the achievement of these objectives.	Discretionary cash payments recommended to the Board by the Committee based upon the achievement of corporate objectives and individual performance.

Compensation Element	Award Type	Objective	Key Features
Option Plan	Option-based award	Long-term equity-based incentive compensation that rewards long-term performance by allowing executive officers to participate in the long-term appreciation of the Company's Shares. The Committee believes that the granting of stock options is required in order for the Company to be competitive with its peers from a total remuneration standpoint and to encourage executive officer retention.	Annual and special awards, as determined appropriate by the Committee, granted at market price, vesting ratably over several years and having a term of five years.

The Named Executive Officers are eligible to participate in the same benefits as offered to all full-time employees. The Company does not view these benefits as a significant element of its compensation structure but does believe that they can be used in conjunction with base salary to attract, motivate and retain individuals in a competitive environment.

Base salary levels for 2008 were established in December 2007. The Company granted stock options to its Named Executive Officers and all other employees upon the listing of its common shares on the TSX Exchange ("TSX") in July 2008. Due to the Company's financial circumstances, there were no bonuses awarded in 2008.

Assessment of Compensation

Compensation of all executive officers is compared against compensation paid to similarly sized oil and gas companies. The Committee utilizes compensation information that is available from independent compensation consultants, compensation surveys, publicly available information contained within the annual proxy circulars and recommendations made by the Chief Executive Officer in respect of the Named Executive Officers (other than himself). In reviewing comparative data, the Committee does not engage in benchmarking for the purposes of establishing compensation levels relative to any predetermined point. In the Committee's view, external and third-party survey data provides an insight into external competitiveness, but is not an appropriate single basis for establishing compensation levels. This is primarily due to the differences in the size and scope of operations of comparable corporations and the lack of sufficient appropriate matches to provide statistical relevance. The Committee can and does exercise both positive and negative discretion in relation to the compensation awards and its allocation between cash and non-cash awards.

Salary: Base salary is intended to compensate core competences in the executive role relative to skills, experience and contribution to the Company. Base salary provides fixed compensation determined by reference to competitive market information. The Committee believes that salaries should be competitive and, as such, should provide the executive officers with an appropriate compensation that reflects their level of responsibility, industry experience, individual performance and contribution to the growth of the Company. The 2008 base salaries of the Named Executive Officers of the Company included in the "Summary Compensation Table" were established primarily on this basis.

Annual Cash Bonuses: Bonuses are paid at the discretion of the Board on recommendation of the Committee, based upon the achievement of certain individual and corporate performance goals. Bonuses awarded by the Committee are intended to be competitive with the market while rewarding executive officers for meeting qualitative goals, including delivering near-term financial and operating results, developing long-term growth prospects, improving the efficiency and effectiveness of business operations and building a culture of teamwork focused on creating long-term shareholder value. Consistent with the

flexible nature of the annual bonus program, the Committee does not assign any specific weight to any particular performance goal nor is any specific weight assigned to the performance goals in the aggregate. The Committee considers not only the Company's performance during the year with respect to the qualitative goals, but also with respect to market and economic trends and forces, extraordinary internal and market-driven events, unanticipated developments and other extenuating circumstances. In sum, the Committee analyzes the total mix of available information on a qualitative, rather than quantitative, basis in making bonus determinations.

The extraordinary economic environment the world has found itself during the fourth quarter of 2008 and its material negative impact on the financial condition of the Company have resulted in the Committee cancelling bonus awards for 2008 fiscal year.

Long-Term Incentives: The allocation of stock options and the terms of those options are an integral component of the compensation package of the executive officers of the Company. The Company has a stock option plan in place for the purpose of providing stock options to its officers, employees and consultants. The Committee believes that the grant of options to the executive officers and share ownership by such officers serves to motivate achievement of the Company's long-term strategic objectives and the result will benefit all shareholders of the Company. Stock options are awarded to employees of the Company (including the Named Executive Officers) by the Board based in part upon the recommendation of the Committee, which bases its recommendations in part upon recommendations of the Chief Executive Officer relative to the level of responsibility and contribution of the individuals toward the Company's goals and objectives. The Committee exercises its discretion to adjust the number of stock options awarded based upon its assessment of individual and corporate performance and the anticipated future hiring requirements of the Company. Also, the Committee considers the overall number of stock options that are outstanding relative to the number of outstanding Common Shares of the Company and the overall number of stock options held by each individual optionee relative to the number of stock options that are available under the Option Plan in determining whether to make any new grants of stock options and the size of such grants. The granting of these specific options is reviewed by the Committee for final recommendation to the Board for approval.

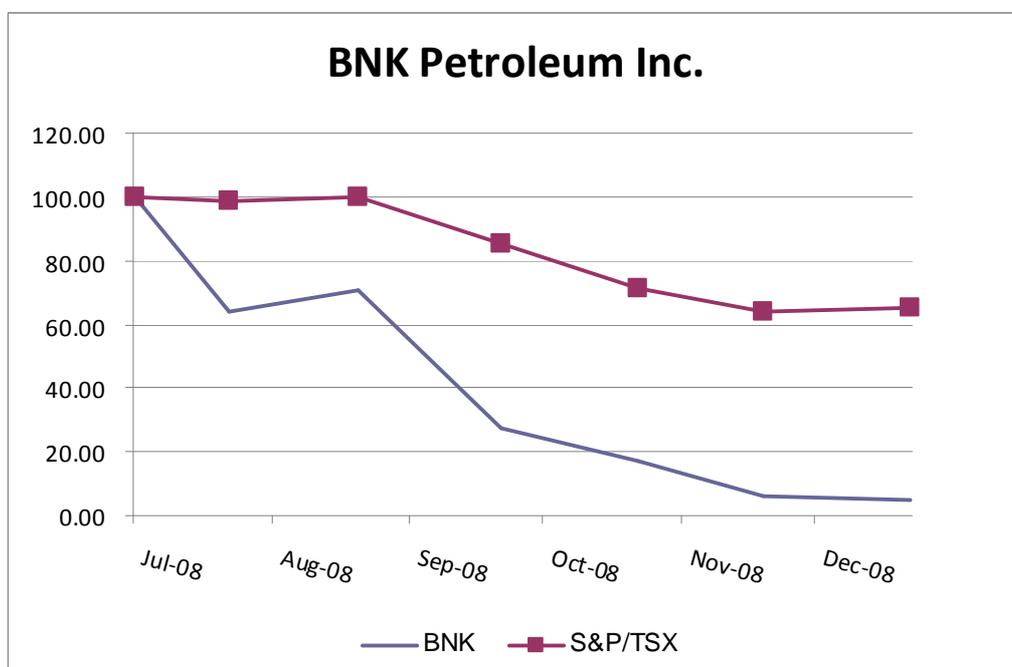
The determination of the July 2008 stock option awards set forth in the "Summary Compensation Table" was based upon review of performance for fiscal 2007.

As a result of the global financial crisis, collapse in commodity prices and historic declines in the trading prices of all shares, including the Shares of the Company, the Committee reviewed the stock option holdings of all employees in December 2008. The Committee determined that the stock options granted during 2008 would not achieve the Committee's goal of retaining key personnel and motivating the achievement of long-term strategic goals, as all options were significantly out of the money. As a result, the Committee decided to offer a voluntary option cancellation program to all of its optionees whereby they would surrender their stock options as to 25%, 50%, 75% or 100%. The TSX regulates the repricing of options, which includes the cancellation of options and subsequent reissuance of options under different terms. A grant of new options following a cancellation of options must not occur until at least three months after the related cancellation otherwise shareholder approval is required. Under the voluntary option cancellation program, the optionees holding stock options to purchase 4,900,000 Shares of the Company surrendered their options during the period from February 6 to 23, 2009.

The Committee will consider granting new stock options to all optionees who surrendered their options after the elapse of the three month period based on the then existing market and economic conditions. However there is no assurance that the optionees will receive any new options at such time as the grant of any new options will be at the discretion of the Board .

Performance Analysis

The following graph compares the yearly change in the cumulative total shareholder return over 2008 assuming an investment of \$100 was made on July 10, 2008 in the Company's Shares with the cumulative total return of the S&P/TSX Composite Total Return Index assuming the reinvestment of dividends, where applicable, for the comparable period.



	BNK	S&P/TSX Composite Index
December 31, 2008	\$4.80	\$65.42
November 30, 2008	\$5.80	\$63.70
October 31, 2008	\$16.81	\$71.02
September 30, 2008	\$27.60	\$85.46
August 31, 2008	\$70.78	\$100.19
July 31, 2008	\$64.00	\$98.90
July 10, 2008	\$100.00	\$100.00

The trend shown in the above graph does not necessarily correspond to the Company's compensation to its Named Executive Officers for the period ended December 31, 2008. The Compensation Committee reviews and recommends to the Board the remuneration of the Company's executive officers, including the Named Executive Officers. The Compensation Committee considers a number of factors in connection with its determination of appropriate levels of compensation including, but not limited to, the demand for and supply of skilled professionals in the oil and gas industry, individual performance, the Company's performance (which is not necessarily tied exclusively to the trading price of the Common Shares on the TSX) and other factors discussed under "Compensation Discussion and Analysis" above. The trading price of the Shares on the TSX is subject to fluctuation based on a number of factors, many of which are outside the control of the Company. These include, but are not limited to, fluctuations and volatility in commodity prices for crude oil, natural gas and natural gas liquids, fluctuations and volatility in foreign exchange rates, global economic conditions, changes in government, environmental policies, legislation and royalty regimes, and other factors, some of which are disclosed and discussed under the heading "Business Risks" in the Company's Management's Discussion and Analysis for the period ended December 31, 2008 and under the heading "Risk Factors" in the annual information form of the Company dated March 30, 2009.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Company is not aware of any material interest, direct or indirect, of any director or officer of the Company, any person beneficially owning, directly or indirectly, more than 10 percent of the Company's voting securities, or any associate or affiliate of such person in any transaction within the year ending December 31, 2008 or in any proposed transaction which in either case has materially affected or will materially affect the Company or its subsidiaries.

DIRECTORS' AND OFFICERS' INDEMNIFICATION INSURANCE

Pursuant to the terms of the Company's by-laws and certain indemnification agreements, the Company may be required to indemnify its current and former directors and officers and, in certain instances, individuals who have acted at the Company's request as a director or officer of another corporation against all costs incurred by such persons in respect of any action to which such person is made a party by reason of being a current or former director or officer of the Company or such other corporation. Such persons are entitled to be indemnified by the Company only if they have acted honestly and in good faith with a view to the best interests of the Company, and in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person had reasonable grounds for believing that his conduct was lawful.

The Company has put in place directors' and officers' liability insurance for the benefit of its directors and officers. The policy limit is \$10,000,000 and the associated deductible for each securities claim and each corporate reimbursement claim is \$100,000 (no deductible for all other claims).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the year ended December 31, 2008 was there any indebtedness of any director or officer, or any associate of any such director or officer, to the Company or to any other entity which is, or at any time since the beginning of the year ended December 31, 2008 has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has established an equity compensation plan pursuant to which 10 percent of its outstanding Shares from time to time may be issued. The equity compensation plan referred to herein as the Option Plan, has been established to provide incentives to employees, officers and certain consultants of the Company. The following table summarizes the stock options which were outstanding as at December 31, 2008:

Plan Category	Number of Shares to be issued upon exercise of outstanding stock options (a)	Weighted-average exercise price of outstanding stock options (b)	Number of Shares remaining available for future issuance under the Option Plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	Nil	Nil	Nil
Equity compensation plans not approved by security holders	4,905,000	\$2.00	1,930,038
Total	4,905,000	\$2.00	1,930,038

Stock Option Plan

The Company established the Option Plan which governs the issuance of stock options to officers and employees of the Company and its subsidiaries and consultants retained by the Company and its subsidiaries, or the Eligible Participants. The principal purpose of the Option Plan is to provide the Eligible Participants with the opportunity to acquire an increased proprietary interest in the Company, align the interests of such Eligible Participants with the interests of the shareholders of the Company and to attract and retain qualified officers, employees and consultants to continue the Company's growth. At the Meeting the shareholders of the Company will be asked to approve the Option Plan.

The maximum number of Shares reserved for issuance pursuant to the Option Plan, together with any Shares reserved for issuance pursuant to any other security based compensation arrangements (as defined by the rules of the TSX), is 10 percent of the Company's issued Shares from time to time.

In addition to the limitation on the number of Common Shares reserved for issuance, the Option Plan contains the following additional limitations:

- (a) The number of Shares issuable to insiders at any time under all security based compensation arrangements shall not exceed 10 percent of the total number of issued and outstanding shares on a non-diluted basis; and
- (c) The number of Shares issued to insiders as a group within a one year period under all security based compensation arrangements shall not exceed 10 percent of the total number of issued and outstanding Shares as at the end of such one year period.

The exercise price of each stock option is determined by the Board at the time of granting the stock option, provided that the exercise price cannot be lower than the closing price of the Shares on the TSX on the last trading day preceding the date of grant. Pursuant to the terms of the Option Plan, the Board has the discretion to determine the term and vesting provisions of the stock options at the time of granting the stock options. Options granted to date vest as to one-third on the date of grant and on each of the first and second anniversaries of the date of grant.

If any options issued under the Option Plan are not exercised within their term, the Shares reserved and authorized for issuance pursuant to such stock options will be available for issuance under the Option Plan. Amendments to the Option Plan and to outstanding stock options may be made by the Board without shareholder approval under certain circumstances, but shareholder approval is required for an increase in the maximum aggregate number of Shares that may be granted (other than adjustments due to subdivision, consolidation or reclassification of the Shares) and to reduce the exercise price for stock

options granted to insiders or to extend the term of stock options to insiders (unless the extension is pursuant to a voluntary black out extension that may be in effect or pursuant to an extension applicable in the case of death or permanent disability).

CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 – Disclosure of Corporate Governance Practices, establishes recommended corporate governance guidelines for all public companies. The following discloses the Company's corporate governance practices relative to the recommendations.

Independence of Members of Board

The Company's Board consists of four (4) directors all of whom are independent based upon the tests for independence set forth in National Instrument 52-110 – Audit Committees (“NI 52-110”).

Management Supervision by Board

The President and the Chief Financial Officer report upon the operations of the Company, on a quarterly basis directly to the Board. While management attend board meetings to report to the Board and participate in discussions, they are not eligible to vote on matters requiring board approval. The directors meet at any time they consider necessary without any members of management, being present. The Company's auditors, legal counsel and employees may be invited to attend. The audit committee is composed entirely of independent directors who meet with the Company's auditors without management in attendance. The independent directors exercise their responsibilities for independent oversight of management through the fully independent corporate governance committee and the appointment of an independent Chair of the Board. The independent directors also have regular and full access to management.

Participation of Directors in Other Reporting Issuers

The participation of the directors in other reporting issuers is described in the table below.

Name of Director	Name of Other Reporting
Ford Nicholson	None
Robert Cross	Bankers Petroleum Ltd. LNG Energy Ltd. B2Gold Corp. Avanti Mining Inc.
Victor Redekop	Wavefire.com
Eric Brown	Bankers Petroleum Ltd.

Participation of Directors in Board Meetings

The participation of the directors in board meetings is described in the following table:

Director	Meetings of Board of Directors	Meetings of Audit Committee	Meetings of Compensation Committee	Meetings of Corporate Governance Committee
Ford Nicholson	4/4	N/A	1/1	1/1
Robert Cross	4/4	1/1	1/1	1/1
Victor Redekop	4/4	1/1	N/A	1/1
Eric Brown	4/4	1/1	1/1	N/A

Board Mandate

The Board has adopted a Board Mandate, the text of which is attached as Schedule "A" to this Information Circular.

Position Descriptions

The Board has adopted a position description for the Chair of the Board. Specific position descriptions have not been adopted for the chairs of each of its committees as the Board is of the view that the mandates of the committees are sufficiently specific that no separate description is necessary for the chairs of such committees. The Board has developed a position description for the Chief Executive Officer.

Orientation and Continuing Education

While the Company does not have a formal orientation and training program, new Board members are provided with:

1. access to recent, publicly filed documents of the Company;
2. access to management; and
3. access to legal counsel in the event of any questions relating to the Company's compliance and other obligations.

Board members are encouraged to communicate with management, legal counsel and, where applicable auditors and technical consultants of the Company; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders.

The Board adopted a Code of Conduct (the "Code") on March 25, 2009. The Code is posted on its website at www.bnkpetroleum.com. The Board has instructed its management and employees to abide by the Code and to bring any breaches of the Code to the attention of the Corporate Governance Committee. Compliance with the Code is monitored primarily through the reporting process within the Company's organizational structure.

It is a requirement of applicable corporate law that directors who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material. The Code imposes a similar disclosure requirement on all non-director representatives of the Company and requires such persons to report such conflict to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of a senior executive officer, to the Corporate Governance Committee and fully inform such person or the committee, as applicable, of the facts and circumstances related to the conflict or potential conflict. The representative is prohibited from taking any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until he is authorized to do so by his reporting officer, or the Corporate Governance Committee.

Nomination of Directors

The independent Corporate Governance Committee has responsibility for identifying potential Board candidates. The Corporate Governance Committee assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the oil and gas industry are consulted for possible candidates. The Board has adopted a written charter that sets forth the responsibilities, powers and operations of the Corporate Governance Committee, which include considering what competencies and skills the Board, as a whole, should possess, the appropriate size of the Board in order to facilitate effective decision-making and assessing the same on a periodic basis, making recommendations to the Board with respect to filling vacancies, evaluating the performance of individual directors and making recommendations as to their further nomination, review proposed shareholder nominees and making recommendations to the Board regarding resignations of directors. The Corporate Governance Committee has the power to retain outside advisors as it considers necessary for the proper functioning of the committee, at the Company's expense. The Corporate Governance Committee meets at least once annually and otherwise as requested by the Board or considered desirable by the Chair of the committee.

Compensation of Directors and the President

The members of the Compensation Committee are independent and have the responsibility for determining compensation for the directors and senior management.

The Board has adopted a written charter that sets forth the responsibilities, powers and operations of the Compensation Committee, which include: reviewing the adequacy and form of any compensation program for executive officers, reviewing the adequacy and form of non-employee directors' compensation, reviewing and creating a position description for the President and CEO, evaluating the President and the CEO's performance in light of corporate goals and objectives, and making recommendations to the Board with respect to the President and the CEO's compensation. The Compensation Committee has the power to retain independent legal, accounting or other relevant advisors as it may deem necessary or appropriate to allow it to discharge its responsibilities, at the expense of the Company. The Compensation Committee meets at least once annually and otherwise as requested by the Board or considered desirable by the Chair of the committee.

Other Board Committees

The Board has determined that additional committees are not necessary at this stage of the Company's development.

Assessments

All of the current members of the Board have held such positions for less than twenty four months and a review of the performance and effectiveness of the Board, the directors and its committees has not yet been undertaken. It is anticipated that such a review, including determining whether changes in size, personnel or responsibilities are warranted, will be undertaken during fiscal 2009. As part of the assessments, the Board or the individual committees may review their respective mandate or charter and conduct reviews of applicable corporate policies.

Audit Committee Information

Disclosure with respect to the composition of the Company's Audit Committee, the Company's Audit Committee Charter and other disclosure required by NI 52-110 is contained in the Company's Annual Information Form dated March 30, 2009 filed under the company's profile at www.sedar.com.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at 403-541-5319 to request copies of the Company's financial statements and Management Discussion and Analysis.

Financial information is provided in the Company's consolidated financial statements and the Management Discussion and Analysis related thereto for the year ended December 31, 2008 which are available on SEDAR at www.sedar.com.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 24 day of April, 2009.

**Approved by the Board of Directors of
BNK Petroleum Inc.**

**“Wolf Regener”
Wolf Regener
President and Chief Executive Officer**

**Schedule "A" to the Information Circular
of BNK PETROLEUM INC.**

BOARD OF DIRECTORS MANDATE

I. Purpose

The duties and responsibilities of directors follow from applicable corporate laws, as well as those duties and responsibilities generally agreed and approved by the Board of Directors. The intent is that the duties and responsibilities guide the Board in complying with all applicable Canadian legal and regulatory requirements.

Directors are accountable to the shareholders of BNK Petroleum Inc. (the "Company").

II. Mandate

The Board of Directors shall further the objectives of the Company by directing, supervising and otherwise reviewing and approving the stewardship of the Company.

All material transactions must be reviewed and approved by the Board prior to implementation. Any responsibility that is not delegated to senior management or a Board committee remains with the full Board. One of the Board's responsibilities is to review and, if thought fit, to approve opportunities as presented by management and to provide guidance to management. The Board relies on management for the preparation of periodic reports, and to provide the support and information necessary to enable the Board to fulfill its obligations effectively.

The Board has the responsibility to participate with management in developing and approving the mission of the business, its objectives and goals, the strategic plans arising therefrom, and monitoring subsequent performance against said plans. Strategic issues are reviewed with management and addressed by the full Board at regularly scheduled Board meetings and at meetings specifically called for this purpose.

The Board also meets to: plan for the future growth of the Company; identify risks of the Company's business, thus ensuring the implementation of appropriate systems to manage these risks; monitor senior management; and ensure timely disclosure of material transactions through the issuance of news releases and financial statements. The Board reviews financial performance quarterly. Frequency of meetings as well as the nature of agenda items changes depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. When necessary and appropriate, issues may be approved and adopted by the Board by way of written resolutions.

III. Composition

The Board of Directors shall comprise a majority of individuals who qualify as "independent directors" as such term is interpreted in accordance with National Instrument 52-110.

The Chair of the Board of Directors should be an "independent director". Where this is not appropriate, an independent director should be appointed to act as "lead director". However, either an independent chair or an independent lead director should act as the effective leader of the Board of Directors and shall be responsible for ensuring that the Board executes its mandate effectively, efficiently and independently of management.

I V . Independence from Management

All committees of the Board shall be made up of non-management directors.

The Company's Compensation Committee, Corporate Governance Committee and Audit Committee are authorized to approve, in circumstances that they consider appropriate, the engagement of outside advisers at the Company's expense.

V . Specific Responsibilities and Duties

The Board's mandate includes the following duties and responsibilities:

1. Taking responsibility for the stewardship of the Company.
2. Reviewing and approving any proposed changes to the Company's memorandum or articles.
3. Taking responsibility for, and appropriate action with respect to, any take-over bid, proposed merger, amalgamation, arrangement, and acquisition of all or substantially all of the assets or any similar form of business combination, including the approval of any agreements, circulars or other documents in connection therewith.
4. Approving payment of distributions to shareholders.
5. Approving any offerings, issuances or repurchases of share capital or other securities.
6. Approving the establishment of credit facilities and any other long-term commitments.
7. Developing clear position descriptions for the Chair of the Board, the Chair of each Board committee and, together with the CEO, the CEO (which includes delineating management's responsibilities).
8. Developing or approving the corporate goals and objectives that the CEO is responsible for meeting.
9. Selecting and appointing, evaluation of and (if necessary) termination of the CEO and CFO, and approving the hiring of any other senior executive or officer.
10. Succession planning and other human resource issues. The appointment of all corporate officers requires Board authorization.
11. Approving the compensation of the senior executive officers, including performance bonus plans and stock options.
12. Adopting a strategic planning process, approving strategic plans (on at least an annual basis), and monitoring performance against plans.
13. Reviewing and approving annual operational budgets, capital expenditures and corporate objectives, and monitoring performance on each of the above.
14. Reviewing policies and procedures to identify business risks, identifying the principal business risks and ensuring that systems and actions are in place to monitor them.

15. Reviewing policies and processes to ensure that the Company's internal control and management information systems are operating properly.
16. Approving the financial statements and MD&A, and making a recommendation to shareholders for the appointment of auditors.
17. Approving the Company's code of business ethics, which includes a communications policy for the Company, and monitoring its application.
18. Assessing the contribution of the Board, committees and all directors annually, and planning for succession of the Board.
19. Developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company.

VI. Directors' Remuneration and Expenses

The independent directors' remuneration shall be fixed by the Board upon the recommendation of the Executive Compensation Committee. The directors are also entitled to be reimbursed for reasonable traveling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof or in connection with their services as directors.

VII. Board Meetings Process

The powers of the Board may be exercised at a meeting for which notice has been given and at which a quorum is present or, in appropriate circumstances, by resolution in writing signed by all the directors.

Responsibility for Convening

Regular meetings of the directors may be called and held at such time and at such place as the Board may by resolution from time to time determine. Any director may call a meeting of the Board at any time.

Notice of Meeting

Reasonable notice of the time and place of each meeting shall be given by mail or by telephone or any other method of transmitting legibly recorded messages. A notice of meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

Quorum

The quorum for the transaction of business at any meeting of the Board shall be a majority of directors or such other number of directors as the Board may from time to time determine according to the articles of the Company.

Chairman

The Chairman of the board shall be elected annually at the first meeting of the directors following the shareholders meeting.

Voting

At all meetings of the Board every resolution shall be decided by a majority of the votes cast on the resolution and in case of any equality of votes, the Chairman has a second or casting vote. A member will be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.

Order of Business

The Board shall endeavor to conduct its business effectively and efficiently. Accordingly, it shall be normal procedure to provide directors with the agenda and materials at least five business days ahead of time in order that they may arrive at the meeting fully prepared.

Board meetings shall normally proceed as follows:

Review and approval of the minutes of the preceding meeting;
Business arising from the previous minutes;
Reports of committees;
President's report, financial and operational reports;
Other business;
Setting the date and time of the next meeting; and
Adjournment

Minutes of the meetings

A secretary should be named for each Board and committee meeting and minutes should be circulated at the latest one month after such meeting. Minutes of the committees meetings will be given to each Board member.

This Board of Directors Mandate was adopted by the Board of Directors of Bankers Petroleum Ltd. on the 25th day of March 2009.

By order of the Board of Directors

BNK PETROLEUM INC.

BNK PETROLEUM INC.

Mandate of the CHAIRMAN

The Board shall designate an independent director to serve as Chairman with the responsibility to ensure that the Board executes its mandate effectively, efficiently and independently of management.

Specific Role and Responsibility:

- Ensure that the Board works as a cohesive team under his/her leadership and that Board meetings are conducted in such a manner that facilitates the exchange of constructive and objective points of view, and encourages all directors to participate in such a way that is conducive to good decision-making.
- Ensure that the Board has adequate resources, especially by way of full, timely and relevant information to support its decision-making requirements.
- Reviews the Board meeting agendas to ensure that matters are brought up in a timely fashion and that they are documented in a manner that allows the making of well informed decisions and provide input to the President on the preparation of agendas for Board and committee meetings.
- Ensure that a process is in place to monitor legislation and best practices which relate to the responsibilities of the Board, to assess the effectiveness of the overall Board, its committees, and individual directors on a regular basis. Consult with the President and the Board on the effectiveness of Board Committees.
- Ensure delegated committee functions are carried out and reported to the Board.
- Ensure that independent directors have adequate opportunities to meet to discuss issues without Management present.
- Chair Board and shareholder meetings.
- Communicate to management, as appropriate, the results of private discussions among outside directors and ensure that the expectations of the Board towards management and those of management towards the Board are clearly expressed in a respectful and constructive manner.
- Oversee the evaluation of the performance of the President and CEO, the CFO and other senior executives or officers, and assume the responsibility of executing a potential decision of the Board to dismiss the President and CEO.
- Oversee the Board's obligation to discharge all its fiduciary obligations and that the Company implements its code of ethics.

This Mandate of the Chairman was adopted by the Board of Directors of BNK Petroleum Inc. on the 25th day of March 2009.

By order of the Board of Directors

BNK PETROLEUM INC.

**Schedule "B" to the Information Circular
of BNK PETROLEUM INC.**

**BNK PETROLEUM INC.
STOCK OPTION PLAN (TSX)
MAY 27, 2008**

1. PURPOSE OF THE PLAN

The Company hereby establishes a stock option plan for directors, senior officers, Employees, Management Company Employees and Consultants (as such terms are defined below) of the Company and its subsidiaries (collectively "**Eligible Persons**"), to be known as the "**Stock Option Plan**" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to ten (**10**) years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price at the time of grant.

2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- 2.1 "**Associate**" means an "Associate" as defined in the Exchange Policies.
- 2.2 "**Board**" means the Board of Directors of the Company.
- 2.3 "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.
- 2.4 "**Company**" means BNK Petroleum Inc. and its successors.
- 2.5 "**Consultant**" means an individual or Consultant Company, other than an Employee or a Director, that:
- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the company or a subsidiary of the Company, other than services in relation to a distribution;
 - (b) provides the services under a written contract for an initial, renewable or extended period of twelve months or more; and
 - (c) spends or will spend a significant amount of time and attention on the affairs of the Company or a subsidiary of the Company.
- 2.6 "**Consultant Company**" means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- 2.7 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
- (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
 - (b) acting as a director or officer of the Company or its subsidiaries.

- 2.9 “**Employee**” means a persons who would be considered an ‘employee’ under the *Income Tax Act* (Canada), or who works full-time or for a specified number of hours per week on a continuing regular basis and is subject to the same control and direction by the Company or a subsidiary of the company over the details and methods of work as an employee of the company, but for whom tax and other deductions are not made at source;
- 2.10 “**Exchanges**” means the TSX and, if applicable, any other stock exchange on which the Shares are listed.
- 2.11 “**Expiry Date**” means the later of the date set by the Board under section 3.1 of the Plan, as the last date on which an Option may be exercised and, if such date falls during or within 5 trading days after the end of a period during which pursuant to the policies of the Company trading in Company’s shares is prohibited (a “black out period”), the date that is 10 trading days following the date on which such black out period ends.
- 2.12 “**Grant Date**” means the date specified in an Option Agreement as the date on which an Option is granted.
- 2.13 “**Insider**” means an “Insider” as defined in the TSX Policies, other than a person who is an insider solely by virtue of being a director or senior officer of a subsidiary of the Company.
- 2.14 “**Investor Relations Activities**” ha the meaning ascribed to it in the Securities Act;
- 2.15 “**Joint Actor**” means a person acting “jointly or in concert with” another person as that phrase is interpreted in section 96 of the Securities Act.
- 2.16 “**Management Company Employee**” means an individual employed by a Person providing management services to the Company, but excluding Persons who are providing Investor Relations Services.
- 2.17 “**Market Price**” of Shares at any Grant Date means the last closing price per Share at the time of grant of the option, or if the Shares are not listed on any stock exchange, “Market Price” of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- 2.18 “**Option**” means an option to purchase Shares granted pursuant to this Plan.
- 2.19 “**Option Agreement**” means an agreement, substantially in the form attached hereto as Schedule “A”, with such additions there to or modifications thereof as may be approved by the Company prior to or at the time an option is granted, whereby the Company grants to an Optionee an Option.
- 2.20 “**Optionee**” means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.21 “**Option Price**” means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.
- 2.22 “**Option Shares**” means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.23 “**Plan**” means this Stock Option Plan.
- 2.24 “**Shares**” means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, “Shares” shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.25 “**Securities Act**” means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.26 “**TSX Policies**” means the policies included in the TSX Company Manual and “TSX Policy” means any one of them.
- 2.27 “**Unissued Option Shares**” means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.

2.28 “**U.S. Act**” means the *Securities Act* of 1933 of the United States, as amended.

2.29 “**Vested**” means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

3. GRANT OF OPTIONS

3.1 Option Terms

The Board may from time to time authorize the issue of Options to Eligible Persons. The Option Price under each Option shall be not less than the Market Price at the time of grant. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than **ten (10)** years after the Grant Date. Options shall not be assignable (or transferable) by the Optionee.

3.2 Limits on Shares Issuable on Exercise of Options

- (b) The number of Shares reserved for issuance under the Plan and all of the Company’s other previously established or proposed share compensation arrangements in aggregate shall not exceed 10% of the total number of issued and outstanding Shares at the Grant Date on a non-diluted basis; and
- (c) The number of Shares issuable to Insiders at any time under all security based compensation arrangements shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis; and
- (c) The number of Shares issued to Insiders as a group within a one year period under all security based compensation arrangements shall not exceed 10% of the total number of issued and outstanding Shares as at the end of such one year period.

If Options are exercised, or are surrendered, terminate or expire without being exercised in whole or in part, the Shares which were the subject of such Options may again be made subject to an Option.

3.3 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time, in the manner and subject to the terms and condition set out in the Plan and in the Option Agreement applicable to that Optionee. For stock options to Employees, Consultants, Consultant Companies or Management Company Employees, the Company is representing herein and in the applicable Stock Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

4. EXERCISE OF OPTION

4.1 When Options May be Exercised

Subject to sections 4.3 and 4.4, an Option may be exercised to purchase any number of Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to midnight. local time in the City of Calgary on the Expiry Date and shall not be exercisable thereafter.

4.2 Manner of Exercise

The Option shall be exercisable by delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Share. Upon notice and payment there will be a binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee’s cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised.

4.3 Vesting of Option Shares

The Directors, subject to the policies of the Exchanges, may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Unless otherwise specified by the Board at time of granting an Option, and subject to the other limits on Option grants set out in Section 3.2 hereof, all Options granted under the Plan shall vest and become exercisable in full upon grant.

4.4 Termination of Employment

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

(a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date;

(b) Termination For Cause

If the Optionee, or in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause, pursuant to the terms of any applicable contract, or, where there is no contract, as that term is interpreted by the courts of British Columbia, any outstanding and unexercised Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to (i) the termination of any agreement under which the Optionee provides services to the Company or a subsidiary of the Company, or (ii) his or her termination by the Company otherwise other than for cause, or (iii) his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.

For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this paragraph 4.4 occurred, shall not be or become vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

4.5 Effect of a Take-Over Bid

If a *bona fide* offer (an "Offer") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Option Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then with the consent of the Company the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to paragraph 4.3 shall be reinstated. If any Option Shares are returned to the Company under this paragraph 4.5, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

4.6 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Directors shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days notice is required and more than 30 days notice is not required.

4.7 Effect of a Change of Control

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges, if necessary.

4.8 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee, or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

4.9 Shares Not Acquired

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired may be made the subject of a further Option pursuant to the provisions of the Plan.

5. SECURITIES LAWS OF THE UNITED STATES OF AMERICA

5.1 Securities Laws of the U.S.

Neither the Options which may be granted pursuant to the provisions of this Plan nor the Shares which may be purchased pursuant to the exercise of Options have been registered under the US Act, or under any securities law of any state of the United States of America. Accordingly, any Optionee who is granted an Option in a transaction which is subject to the US Act or the securities laws of any state of the United States of America shall represent, warrant, acknowledge and agree in the agreement containing the Option granted to the Optionee that:

- (a) the Optionee is acquiring the Option and any Shares acquired upon the exercise of such Option as principal and for the account of the Optionee;
- (b) in granting the Option and issuing the Shares to the Optionee upon the exercise of such Option, the Company is relying on the representations and warranties of the Optionee contained in the agreement relating to the Option to support the conclusion of the Company that the granting of the Option and

the issue of Shares upon the exercise of such Option do not require registration under the U.S. Act or to be qualified under the securities laws of any state of the United States of America;

- (c) each certificate representing Shares issued upon the exercise of such Option shall bear the following legends:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) WITHIN THE UNITED STATES (1) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, (2) IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT OR (3) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. PROVIDED THAT THE CORPORATION IS A “FOREIGN ISSUER” WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT AT THE TIME OF SALE, A NEW CERTIFICATE BEARING NO LEGEND MAY BE OBTAINED FROM THE CORPORATION’S TRANSFER AGENT UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE TRANSFER AGENT AND THE CORPORATION TO THE EFFECT THAT SUCH SALE IS BEING MADE IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.”

6. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

6.1 Share Reorganization

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a “Share Reorganization”) then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
- (i) the Option Price in effect immediately before that effective date or record date; and
 - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

6.2 Special Distribution

Subject to the prior approval of the Exchanges, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board of Directors of the Company has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "Special Distribution"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

6.3 Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being herein called a "Corporate Reorganization") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Directors.

6.4 Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants that the Directors may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

6.5 Regulatory Approval

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of paragraphs 5.1, 5.2 or 5.3 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

7. MISCELLANEOUS

7.1 Right to Employment or Engagement

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or engagement or to continued employment or engagement with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

7.2 Necessary Approvals

The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval shall only be exercised upon the receipt of such approval. Disinterested shareholder approval (as required by the Exchanges) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

7.3 Administration of the Plan

The Directors shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in section 6.4, the interpretation and construction of any provision of the Plan by the Directors shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

7.4 Income Taxes

As a condition of and prior to participation in the Plan or any exercise of any Option granted under the Plan any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.

7.5 Amendment and Discontinuance of the Plan and Options

- (a) The Board may, at any time and from time to time, amend, suspend or terminate the Plan and securities granted thereunder without shareholder approval, provided that no such amendment, suspension or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or the consent or deemed consent of an Optionee where such amendment, suspension or termination materially prejudices the rights of that Optionee.
- (b) Notwithstanding the provisions of section 7.5(a), the Board may not, without the approval of the shareholders of the Company, make amendments to the Plan for any of the following purposes:
 - (i) to increase the maximum number of Shares that may be issued pursuant to Options granted under the Plan as set out in section 3.2;
 - (ii) to reduce the Option Price of Options or to cancel and reissue Options;
 - (iii) to extend the Expiry Date of Options;
 - (iv) to change the definition of Eligible Persons to permit the introduction or reintroduction of non-employee directors on a discretionary basis or to increase limits previously imposed on non-employee director participation;

- (v) to permit Options to be transferable or assignable other than for normal estate settlement purposes; and
 - (vi) to amend the provisions of this section 7.5(b).
- (c) In addition to the changes that may be made pursuant to sections 6.1 to 6.3 inclusive, the Board may, at any time and from time to time, without the approval of the shareholders of the Company, amend any term of any outstanding Option (including, without limitation, the Option Price, vesting and expiry of the Option), provided that:
- (i) any required approval of any regulatory authority or stock exchange is obtained;
 - (ii) if the amendments would reduce the Exercise Price or extend the Expiry Date of Options, approval of the shareholders of the Company must be obtained;
 - (iii) the Board would have had the authority to initially grant the Option under the terms so amended; and
 - (iv) the consent or deemed consent of the Optionee is obtained if the amendment would materially prejudice the rights of the Optionee under the Option.

7.6 Form of Notice

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

7.7 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

7.8 Compliance with Applicable Law

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

7.9 No Assignment

No Optionee may assign any of his or her rights under the Plan or any option granted thereunder.

7.10 Rights of Optionees

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

7.11 Conflict

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

7.12 Governing Law

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

7.13 Time of Essence

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

7.14 Entire Agreement

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

SCHEDULE "B-1"

BNK PETROLEUM INC.

STOCK OPTION PLAN - OPTION AGREEMENT

This Option Agreement is entered into between •("the Company") and the Optionee named below pursuant to the Company Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. . . . on •, 200• (the "Grant Date");
2. . . . • (the "Optionee");
3. . . . was granted the option (the "Option") to purchase * Common Shares (the "Option Shares") of the Company;
4. . . . for the price (the "Option Price") of \$• per share;
5. . . . which shall be exercisable in full upon approval;
6. . . . terminating on the •, 200• (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

Acknowledgement – Personal Information

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to all regulatory authorities of all personal information of the undersigned obtained by the Company; and

- (b) the collection, use and disclosure of such personal information by the all regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the • day of •, 200•.

Signature

Per: _____
Authorized Signature

Print Name

Address

BNK Petroleum Inc.
Suite 800, 906 – 12 Avenue S.W.
Calgary, AB T2R 1K7
P: 403 541 5319
F: 403 245 5156

www.bnkpetroleum.com