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For Immediate Release

BNK PETROLEUM INC. ANNOUNCES THIRD QUARTER 2017 RESULTS

CAMARILLO, CALIFORNIA, November 9, 2017 -
All amounts are in U.S. Dollars unless otherwise indicated:

THIRD QUARTER HIGHLIGHTS:

- Average production was 1,097 barrels of oil equivalent per day (BOEPD) for the third quarter of 2017, an increase of 7% compared to the third quarter 2016 production of 1,024 BOEPD due to the production of one month from the Hartgraves 1-6H well. The Brock 9-2H well was fracture stimulated in September and started producing in October 2017. Average production for the month of October was over 1,700 BOEPD
- Funds from continuing operations was $1.7 million for the third quarter of 2017 compared to $1.4 million in the third quarter of 2016
- Average netbacks were $22.88 per BOE for the quarter, an increase of 23% compared to the third quarter of 2016. If the realized gains from the commodity contracts are included, the average netbacks for the quarter increased by almost $4/barrel to $26.76 per BOE as about 70% of the Company's oil production was hedged. The Company has a comparable amount of volumes hedged in the fourth quarter at $57.10
- Revenue, net of royalties was $2.9 million for the third quarter of 2017 compared to $2.3 million in the third quarter of 2016 due to higher production
- General & administrative expenses decreased by a further 9% in the third quarter of 2017 compared to the third quarter of 2016 due to the Company's ongoing cost cutting efforts
- Net loss was $1.3 million for the third quarter of 2017 compared to a net loss of $0.8 million in the third quarter of 2016. The third quarter 2017 net loss was attributable to a $1.3 million unrealized losses on commodity contracts.
- At September 30, 2017, cash totaled $3.0 million and we had $1.0 million of unused borrowing capacity on our credit facility with BOK Financial. In November 2017, we borrowed the $1.0 million of unused capacity for the completion of the Brock 9-2H well.
- The 30 day initial production (IP) rate from the Brock 9-2H well was 515 BOEPD, with 86% being oil.

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

"We are excited about the recent outstanding results from the two wells that were fracture stimulated in the third quarter as part of our 2017 drilling program. The Hartgraves 1-6H well, which came into production in September and the Brock 9-2H well, which started producing after the end of the quarter have significantly increased our production volumes. Our average production for the month of October was over 1,700 BOEPD. The 30-day initial production rate of the Brock well is greater than the initial possible type curve rate. We are very pleased with the results of our 2017 drilling program and we expect to provide more information about our additional drilling plans in the coming weeks.

"We generated funds from continuing operations of $1.7 million in the third quarter and we expect that to increase in the fourth quarter when production from both the Hartgraves 1-6H well and Brock 9-2H well are fully reflected in the quarter. In the first nine months of 2017, we generated $3.7 million of funds from continuing operations.

"Our third quarter production increased to 1,097 BOEPD, an increase of 7% compared to the prior year third quarter, due to the one month of production from the Hartgraves 1-6H well.

"The Company's hedging program continued to increase our realized prices above current market levels for a significant portion of our production. The Company's commodity contract hedges generated $0.4 million in realized gains during the third quarter of 2017 as more than 70% of our oil production was hedged. We have a comparable amount of hedged volumes in place for the fourth quarter at an average price of $57.10.

"Average netbacks were $22.88 per BOE for the quarter, an increase of 23% compared to the third quarter of 2016. If the realized gains from the commodity contracts are included, the average netbacks for the quarter increase to $26.76 per BOE in the third quarter of 2017.

"The Company has continued to succeed in additional cost cutting efforts that started in 2015. In the third quarter of 2017, a reduction of general and administrative expense of 9% was achieved over the third quarter of 2016.

"The Company recorded a net loss of $1.3 million in the third quarter of 2017, due to $1.3 million of unrealized losses on commodity contracts, compared to a net loss of $0.8 million in the third quarter of 2016.

	Third Quarter			First Nine Months		
	2017	2016	%	2017	2016	%
Net Income (Loss):						
$ Thousands	$(1,333)	$(843)	-	$(293)	$(7,403)	-
$ per common share assuming dilution	$(0.01)	$(0.01)	-	$(0.00)	$(0.05)	-
Funds from continuing operations	$1,662	$1,442	15%	$3,688	$4,415	(16%)
Capital Expenditures	$7,485	$209	3,481%	$18,969	$746	2,443%
Average Production (boepd)	1,097	1,024	7%	942	1,174	(20%)
Average Price per Barrel	$37.05	$31.84	16%	$37.87	$27.44	38%
Average Netback per Barrel	$22.88	$18.58	23%	$23.09	$15.97	45%
Average Price per Barrel including Commodity Contracts	$40.93	$41.50	(1%)	$43.57	$38.47	13%
Average Netback per Barrel including Commodity Contracts	$26.76	$28.24	(5%)	$28.79	$27.00	7%

	September 2017	June 2017	December 2016
Cash and Cash Equivalents	$3,065	$830	$11,101
Working Capital	($2,477)	$1,478	$10,640

Third Quarter 2017 versus Third Quarter 2016

Oil and gas gross revenues totaled $3,739,000 in the third quarter 2017 versus $3,000,000 in the third quarter of 2016. Oil revenues were $3,063,000 in the third quarter 2017 versus $2,459,000 in the third quarter of 2016, an increase of 25% as average oil production increased by 14% and oil prices increased by 9%. Natural gas revenues increased $33,000 or 15%, as natural gas prices increased 13% compared to the third quarter of 2016. Natural Gas Liquid (NGL) revenue increased $102,000 or 32% to $419,000 as average NGL prices increased by 45% partially offset by production decreases of 9%.

Production and operating expenses increased $19,000 between quarters. These costs increased from the prior year quarter due to higher production volumes. Production and operating expenses averaged $5.84 per BOE for the third quarter of 2017 compared to $6.05 per BOE for the same period in 2016, a decrease of 3%.

Depletion and depreciation expense increased $122,000 between quarters due to increased production.

General and administrative expenses decreased $80,000 between quarters due to the Company's cost cutting efforts which resulted in lower salary and benefits, professional fees and travel costs.

Finance income decreased $519,000 due to a realized gain on financial commodity contracts in 2016 of $909,000 compared to $392,000 in 2017. Finance expense increased $700,000 primarily due to an unrealized loss on financial commodity contracts in 2017 of $1,269,000 compared to $445,000 in 2016, partially offset by lower interest expense.

FIRST NINE MONTHS 2017 HIGHLIGHTS

- Average production was 942 BOEPD for the first nine months of 2017, a decrease of 20% compared to the first nine months of 2016 production. The decrease was primarily due to three wells that were shut-in for all of the first quarter and part of the second quarter of 2017, as a result of offset fracture stimulation operations on 19 wells by another operator in the Woodford formation beneath the Caney, which continued their recovery to normal production in the third quarter, and also due to the normal production decline. This decline was partially offset by production from the Chandler 8-6H well which come into production in March 2017 and the Hartgraves 1-6H well which started producing in September 2017.
- Funds from continuing operations was $3.7 million for the first nine months of 2017 compared to $4.4 million in the first nine months of 2016
- Average netbacks were $23.09 per BOE for the first nine months of 2017, an increase of 45% compared to the first nine months of 2016 due to higher prices in 2017. If the realized gains from the commodity contracts are included, the average netbacks for the first nine months increase by more than $5/barrel to $28.79 per BOE
- General & administrative expenses decreased by 6% for the first nine months of 2017 compared to the first nine months of 2016 due to the Company's continued cost cutting efforts
- Revenue, net of royalties was $7.6 million for the first nine months of 2017 compared to $6.8 million in the first nine months of 2016 due to higher prices partially offset by lower production in 2017 compared to the comparable period in 2016
- Net loss was $293,000 for the first nine months of 2017 compared to net loss of $7.4 million in first nine months of 2016. The first nine months of 2016 included an unrealized loss on commodity contracts of $6.0 million.
- At September 30, 2017, cash totaled $3.0 million and we had $1.0 million of unused borrowing capacity on our credit facility with BOK Financial. In November 2017, we borrowed the $1.0 million of unused capacity.

<u>First Nine Months of 2017 versus First Nine Months of 2016</u>

Oil and gas gross revenues totaled $9,740,000 in the first nine months of 2017 versus $8,826,000 in the first nine months of 2016. Oil revenues were $8,142,000 in the first nine months of 2017 versus $7,098,000 in the first nine months of 2016, an increase of 15% as average oil prices increased 24% or $8.94 a barrel for the period, offset by a decrease in production of 7%. Natural gas revenues decreased $108,000 or 16%, in the first nine months of 2017 as natural gas production decreased 39% offset by an average natural gas price increase of 39% compared to the first nine months of 2016. NGL revenue decreased $22,000, or 2%, due to a decrease in NGL production of 37% which was partially offset by an average NGL price increase of 56% in the first nine months of 2017.

Production and operating expenses decreased $83,000 or 5% for the first nine months of 2017 compared to the prior year first nine months due to a decrease in total production.

Depletion and depreciation expense decreased $778,000 due to decreased production.

General and administrative expenses decreased $177,000, or 6%, due to the Company's cost cutting efforts which resulted in lower salary and benefits, professional fees and travel costs.

Finance income decreased $1,184,000 due to a realized gain on financial commodity contracts in 2016 of $3,550,000 compared to $1,465,000 in 2017. Finance expense decreased $6,018,000 due to an unrealized loss on financial commodity contracts in 2016 of $5,965,000.

BNK PETROLEUM INC.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited, Expressed in Thousands of United States Dollars)

	September 30, 2017	December 31, 2016
Current assets		
Cash and cash equivalents	$ 3,065	$ 11,101
Trade and other receivables	1,805	1,163
Deposits and prepaid expenses	626	614
Fair value of commodity contracts	381	650
	5,877	13,528
Non-current assets		
Property, plant and equipment	148,751	133,476
	148,751	133,476
Total assets	$ 154,628	$ 147,004
Current liabilities		
Trade and other payables	$ 8,354	$ 2,888
	8,354	2,888
Non-current liabilities		
Loans and borrowings	23,575	20,229
Asset retirement obligations	918	785
Fair value of commodity contracts	264	1,417
	24,757	22,431
Equity		
Share capital	289,522	289,549
Contributed surplus	22,347	22,195
Deficit	(190,352)	(190,059)
Total equity	121,517	121,685
Total equity and liabilities	$ 154,628	$ 147,004

BNK PETROLEUM INC.

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

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

	Third Quarter		First Nine Months	
	2017	2016	2017	2016
Oil and natural gas revenue, net	$ 2,898	$ 2,321	$ 7,548	$ 6,828
Other income	(24)	1	52	2
	2,874	2,322	7,600	6,830
Production and operating expenses	589	570	1,610	1,693
Depletion and depreciation	1,408	1,286	3,603	4,381
General and administrative expenses	792	872	2,725	2,902
Share based compensation	44	144	131	506
	2,833	2,872	8,069	9,482
Finance income	396	915	2,376	3,560
Finance expense	(1,580)	(880)	(1,418)	(7,436)
Net income (loss) and comprehensive income (loss) from continuing operations	$ (1,143)	$ (515)	$ 489	$ (6,528)
Net loss and comprehensive loss from discontinued operations	(190)	(328)	(782)	(875)
Net loss	(1,333)	(843)	(293)	(7,403)
Net loss per share	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.05)

BNK PETROLEUM INC.
THIRD QUARTER 2017
($000 except as noted)

	Third Quarter 2017	Third Quarter 2016	First Nine Months 2017	First Nine Months 2016
Oil revenue before royalties	$ 3,063	2,459	$ 8,142	7,098
Gas revenue before royalties	257	224	586	694
NGL revenue before royalties	419	317	1,012	1,034
Gross Oil and Gas revenue	$ 3,739	3,000	$ 9,740	8,826
Cash Flow from continuing operations	1,334	2,017	3,008	5,560
Additions to property, plant & equipment	(7,485)	(209)	(18,969)	(746)

Statistics:	Third Quarter 2017	Third Quarter 2016	First Nine Months 2017	First Nine Months 2016
Average oil production (Bopd)	719	628	635	681
Average natural gas production (mcf/d)	1,018	1,001	789	1,293
Average NGL production (Boepd)	208	229	175	277
Average production (Boepd)	1,097	1,024	942	1,174
Average oil price ($/bbl)	$46.28	$42.55	$46.98	$38.04
Average natural gas price ($/mcf)	$2.74	$2.43	$2.72	$1.96
Average NGL price ($/bbl)	$21.92	$15.07	$21.20	$13.60
Average price per barrel	$37.05	$31.84	$37.87	$27.44
Royalties per barrel	8.33	7.21	8.52	6.21
Operating expenses per barrel	5.84	6.05	6.26	5.26
Netback per barrel	$22.88	$18.58	$23.09	$15.97
Average price per barrel including commodity contracts	$40.93	$41.50	$43.57	$38.47
Royalties per barrel	8.33	7.21	8.52	6.21
Operating expenses per barrel	5.84	6.05	6.26	5.26
Netback per barrel including commodity contracts	$26.76	$28.24	$28.79	$27.00

The information outlined above is extracted from and should be read in conjunction with the Company's unaudited financial statements for the nine months ended September 30, 2017 and the related management's discussion and analysis thereof, copies of which are available under the Company's profile at www.sedar.com.

NON-GAAP MEASURES

Netback per barrel and netbacks including commodity contracts, net operating income and funds from operations (collectively, the "Company's Non-GAAP Measures") are not measures recognized under Canadian generally accepted accounting principles ("GAAP") and do not have any standardized meanings prescribed by GAAP.

The Company's Non-GAAP Measures are described and reconciled to the GAAP measures in the management's discussion and analysis which are available under the Company's profile at www.sedar.com.

CAUTIONARY STATEMENTS

In this news release and the Company's other public disclosure:

(a) The Company's natural gas production is reported in thousands of cubic feet ("**Mcfs**"). The Company also uses references to barrels ("**Bbls**") and barrels of oil equivalent ("**Boes**") to reflect natural gas liquids and oil production and sales. Boes may be misleading, particularly if used in isolation. A Boe conversion ratio of 6 Mcf:1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

(b) Discounted and undiscounted net present value of future net revenues attributable to reserves do not represent fair market value.

(c) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

(d) The Company discloses short-term production rates. Readers are cautioned that such production rates are preliminary in nature and are not necessarily indicative of long-term performance or of ultimate recovery.

Caution Regarding Forward-Looking Information

This release contains forward-looking information including information regarding the proposed timing and expected results of exploratory and development work including production from the Company's Tishomingo field, Oklahoma acreage and the Company's plans, strategy and objectives. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements.

Such forward-looking information is based on management's expectations and assumptions, including that the Company's geologic and reservoir models and analysis will be validated, that indications of early results are reasonably accurate predictors of the prospectiveness of the shale intervals, that previous exploration results are indicative of future results and success, that expected production from future wells can be achieved as modeled, declines will match the modeling, future well production rates will be improved over existing wells, that rates of return as modeled can be achieved, that recoveries are consistent with management's expectations, that additional wells are actually drilled and completed, that design and performance improvements will reduce development time and expense and improve productivity, that discoveries will prove to be economic, that anticipated results and estimated costs will be consistent with managements' expectations, that all required permits and approvals and the necessary labor and equipment will be obtained, provided or available, as applicable, on terms that are acceptable to the Company, when required, that no unforeseen delays, unexpected geological or other effects, equipment failures, permitting delays or labor or contract disputes are encountered, that the development plans of the Company and its co-venturers will not change, that the demand for oil and gas will be sustained, that the Company will continue to be able to access sufficient capital through financings, credit facilities, farm-ins or other participation arrangements to maintain its projects, that the Company will continue in compliance with the covenants under its reserves-based loan facility and that the borrowing base will not be reduced, that funds will be available from the Company's reserves based loan facility when required to fund planned operations, that the Company will not be adversely affected by changing government policies and regulations, social instability or other political, economic or diplomatic developments in the countries in which it operates and that global economic conditions will not deteriorate in a manner that has an adverse impact on the Company's business and its ability to advance its business strategy.

Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: any of the assumptions on which such forward looking information is based vary or prove to be invalid, including that the Company's geologic and reservoir models or analysis are not validated, anticipated results and estimated costs will not be consistent with managements' expectations, the risks associated with the oil and gas industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration and development projects or capital expenditures; the uncertainty of reserve and resource estimates and projections relating to production, costs and expenses, and health, safety and environmental risks, including flooding and extended interruptions due to inclement or hazardous weather conditions), the risk of commodity price and foreign exchange rate fluctuations, risks and uncertainties associated with securing the necessary regulatory approvals and financing to proceed with continued development of the Tishomingo Field, the Company or its subsidiaries is not able for any reason to obtain and provide the information necessary to secure required approvals or that required regulatory approvals are otherwise not available when required, that unexpected geological results are encountered, that completion techniques require further optimization, that production rates do not match the Company's assumptions, that very low or no production rates are achieved, that the Company will cease to be in compliance with the covenants under its reserves-based loan facility and be required to repay outstanding amounts or that the borrowing base will be reduced pursuant to a borrowing base re-determination and the Company will be required to repay the resulting shortfall, that the Company is unable to access required capital, that funding is not available from the Company's reserves based loan facility at the times or in the amounts required for planned operations, that occurrences such as those that are assumed will not occur, do in fact occur, and those conditions that are assumed will continue or improve, do not continue or improve and the other risks identified in the Company's most recent Annual Information Form under the "Risk Factors" section, the Company's most recent management's discussion and analysis and the Company's other public disclosure, available under the Company's profile on SEDAR at www.sedar.com.

Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause actual results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The forward-looking information included in this release is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to update these forward-looking statements, other than as required by applicable law.

About BNK Petroleum Inc.

BNK Petroleum Inc. is an international oil and gas exploration and production company focused on finding and exploiting large, predominately unconventional oil and gas resource plays. Through various affiliates and subsidiaries, the Company owns and operates shale gas properties and concessions in the United States. Additionally the Company is utilizing its technical and operational expertise to identify and acquire additional unconventional projects. The Company's shares are traded on the Toronto Stock Exchange under the stock symbol BKX.

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