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For Immediate Release

BNK PETROLEUM INC. ANNOUNCES 4TH QUARTER AND ANNUAL 2015 RESULTS

CAMARILLO CALIFORNIA, March 10, 2016 –
All amounts are in U.S. Dollars unless otherwise indicated:

2015 HIGHLIGHTS

- Average production was 1,415 barrels of oil equivalent per day (BOEPD) for 2015, an increase of 34% compared to 2014 production of 1,053 BOEPD due to the completion of the Nickel Hill 36-3H well and the remaining portion of the Emery 17-1H well in 2015
- General & administrative expenses decreased by 30% and operating expenses on a per barrel basis decreased by 26% in 2015 compared to 2014 due to the Company's global cost cutting efforts initiated at the beginning of 2015
- Realized hedging gains from commodity contracts for 2015 was $4.3 million compared to $0.7 million in 2014.
- Revenue, net of royalties was $13.7 million for 2015 compared to $22.5 million in 2014 due to lower prices in 2015 partially offset by production increases
- Average netbacks were $21.10 per BOE for 2015, a decrease of 59% compared to 2014 due to lower prices in 2015 partially offset by lower operating costs per barrel. If the realized gains from the commodity contracts are included, the average netbacks for 2015 increase by more than $8/barrel to $29.43 per BOE
- A net loss of $6.6 million was incurred in 2015 due to a $7.5 million impairment charge for the Company's European operations. Excluding the impact of this charge, the Company would have reported net income of $1.0 million in 2015
- Cash flow from operating activities was $5,581,000 for 2015 compared to cash flow from operating activities of $12,750,000 in 2014 due to lower prices in 2015
- Capital expenditures decreased by 87% to $9.5 million in 2015 primarily due to the prior year drilling and completion of the Gapowo well in Poland and the prior year US drilling program in Oklahoma
- In February 2015, the Company obtained an additional $8.5 million under the Company's $100 million credit facility to fund the drilling of Caney wells in Oklahoma. Total borrowing under the facility is now at $24.4 million

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

"During 2015, the Company increased production 34% to 1,415 boepd due to the fracture stimulation of the previously drilled Nickel Hill 36-3H well and the remaining stages in the Emery 17-1H well during 2015.

“Our wells continue to outperform the PDP well production forecasts generated by the Company’s independent reserves evaluator. In Q4 2015, actual production outperformed these forecasts by approximately 20%.

“We remain in a ready to drill state and our intent is to work with our lender and utilize our existing cash flow to begin drilling again when the pricing warrants.

“Despite the significant decline in the global oil price throughout 2015 and into 2016, the Company has been able to realize a much higher price than current market levels for a portion of its oil production due to its hedging position. The Company’s commodity contract hedges generated $4.3 million in realized gains during 2015. In the fourth quarter of 2015, about 73% of our oil production was hedged and we expect a comparable level of hedging going forward assuming no new production. The Company’s hedges are in place through 2018 at an average oil price of $66.13 for 2016, $63.14 for 2017 and $55.19 for 2018.

“Our global cost cutting efforts that were initiated at the beginning of 2015 continue to show significant cost reductions with general and administrative expenses decreasing by 30% during year compared to 2014. In addition, the Company’s per barrel operating costs for 2015 were $5.05, a 26% decrease from 2014. The Company recently announced the shutdown of its Polish operations which will further contribute to the cost reduction effort in 2016 as these operations cost about US$1.7 million in 2015. In addition, the Company is evaluating alternatives for its Spain operations including continuing its efforts to partner with another company or reducing or ceasing its operations there.

“These costs reductions helped the Company to maintain positive cash flow from operations of $5.6 million for 2015, despite a decrease in average prices of 53% compared to 2014. Cash flow from operations in 2014 was $12.8 million.

“The Company would have reported net income of $1.0 million in 2015 without the impairment charges of $7.5 million on its European operations. Likewise, in 2014, the company incurred a net loss of $57.5 million due to a $57.3 million impairment on its Poland operations.

“Average netbacks for 2015 were $21.10, a decrease of 59% compared to the prior year due to lower prices. If we include the impact of the realized gains from the commodity contracts, our average netbacks for 2015 would be $29.43, which is a decrease of 45% compared to 2014.”

	Fourth Quarter 2015	Fourth Quarter 2014	%	Year Ended 2015	Year Ended 2014	%
Net Loss:						
$ Thousands	$(6,348)	$(57,628)	-	$(6,569)	$(57,478)	-
$ per common share assuming dilution	$(0.04)	$(0.36)	-	$(0.04)	$(0.36)	-
Capital Expenditures	$52	$18,027	(100%)	$9,526	$75,773	(87%)
Average Production (Boepd)	1,367	1,280	7%	1,415	1,053	34%
Gross Revenue	3,834	6,811	(44%)	17,811	27,694	(36%)
Average Product Price per Barrel	$28.86	$57.82	(50%)	$34.09	$72.05	(53%)
Average Netback per Barrel	$17.10	$41.60	(59%)	$21.10	$51.71	(59%)
Average Price per Barrel including Commodity Contracts	$40.24	$62.42	(36%)	$42.42	$73.79	(43%)
Average Netback per Barrel including Commodity Contracts	$28.48	$46.20	(38%)	$29.43	$53.45	(45%)

	December 2015	December 2014
Cash and Cash Equivalents	$1,666	$12,035
Adjusted Working Capital (excludes debt)	$7,298	$663

Year Ended 2015 to Year Ended 2014

For 2015, oil and natural gas revenues net of royalties decreased $8,788,000 or 39% to $13,713,000. Oil revenues before royalties decreased by 39% to $14,823,000 due to a 49% decrease in prices between years partially offset by a 19% increase in production. Natural gas revenues before royalties declined $84,000 or 6% due to a 41% decrease in natural gas prices per mcf partially offset by a 61% increase in average production. NGL revenue before royalties declined $426,000 or 24% due to 58% decrease in prices partially offset by a 82% increase in average production per day.

Exploration and evaluation expenses decreased $49,883,000. The 2015 amount includes an impairment of $7,547,000 for the Company's European operations while the 2014 amount includes an impairment of $57,346,000 recorded for the Poland operations.

Depletion and depreciation expense increased $541,000 primarily due to the increased production and depletion base.

General and administrative expenses decreased $3,443,000 due to the Company's cost cutting efforts during 2015 which resulted in lower salary and benefit costs due to decreased headcount, director fees, legal and professional fees and travel costs.

Loss from investments in joint ventures was $3,933,000 in 2014 due to an impairment recorded by Saponis.

Finance income increased $4,584,000 due to higher realized and unrealized gains on risk management contracts and a gain on settlement of asset retirement obligations (ARO) in 2015. Finance expense increased $1,851,000 due to interest on the Company's credit facility.

Capital expenditures of $9,526,000 were incurred in 2015 for drilling and completion costs in Oklahoma earlier in the year.

FOURTH QUARTER HIGHLIGHTS:

- Revenue, net of royalties, was $3.0 million for fourth quarter 2015, a decrease of 46% compared to the fourth quarter 2014 due to lower prices partially offset by increased production
- Cash flow from operations was $1.0 million in the fourth quarter of 2015 compared to $4.6 million in prior year fourth quarter. The fourth quarter 2015 cash flow included cash payments for ARO obligations in Poland of $0.5 million
- Average netbacks for the fourth quarter of 2015 were $17.10, a decrease of 59% over fourth quarter 2014 due to price decreases. If the realized gains from the commodity contracts are included, the average netbacks for the fourth quarter of 2015 increase by more than $11/barrel to $28.48 per BOE
- Average production for the quarter was 1,367 BOEPD, an increase of 7% compared to the prior year fourth quarter due to increased production from the 2 completions in 2015
- G&A expense decreased by $0.4 million due to the Company's global cost cutting efforts initiated at the beginning of 2015
- A net loss of $6.3 million was incurred in the fourth quarter 2015 due primarily to a $7.5 million impairment of exploration and evaluation assets
- Morgan Stanley reaffirmed the Company's current outstanding borrowing base of $24.4 million and the credit facility was modified to enable the Company to request a quick redetermination of the borrowing base when the price of oil improves by 10% above current levels

Fourth Quarter 2015 to Fourth Quarter 2014

Oil and gas revenues net of royalties totaled $3,008,000 in the quarter versus $5,534,000 in the fourth quarter of 2014. Oil revenues were $3,011,000 in the quarter versus $6,035,000 in the fourth quarter of 2014, a decrease of 50% as average oil prices decreased by 45% and oil production decreased by 9%. Natural gas revenues decreased 35% due to the decrease in the average price per mcf of 46% partially offset by an increase in natural gas production of 21%. NGL revenue decreased 5% to $369,000 as average NGL prices decreased by 45% partially offset by an average production increase of 71%.

Exploration and evaluation expenses decreased $49,779,000 in 2015 compared to 2014. The 2015 amount includes an impairment of $7,547,000 for the Company's European operations while the 2014 amount includes an impairment of $57,346,000 recorded for the Poland operations.

General and administrative expenses decreased $244,000 between quarters due to the Company's cost cutting efforts during 2015 which resulted in lower salary and benefit costs due to decreased headcount, director fees, legal and professional fees and travel costs.

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

	December 31, 2015	December 31, 2014
Current assets		
Cash and cash equivalents	$ 1,666	$ 12,035
Trade and other receivables	2,905	3,938
Deposits and prepaid expenses	906	1,304
Fair value of commodity contracts	4,459	2,037
	9,936	19,314
Non-current assets		
Fair value of commodity contracts	2,802	1,248
Property, plant and equipment	136,233	134,942
Exploration and evaluation assets	835	7,925
	139,870	144,115
Total assets	$ 149,806	$ 163,429
Current liabilities		
Trade and other payables	$ 2,638	$ 18,651
Loans and borrowings	-	15,401
	2,638	34,052
Non-current liabilities		
Loans and borrowings	23,961	-
Asset retirement obligations	788	1,355
	24,749	1,355
Equity		
Share capital	279,859	279,859
Contributed surplus	21,471	20,505
Deficit	(178,911)	(172,342)
Total equity	122,419	128,022
Total equity and liabilities	$ 149,806	$ 163,429

BNK PETROLEUM INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

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

	Three months ended December 31		Year ended December 31	
	2015	2014	2015	2014
Revenue:				
Oil and natural gas revenue, net	$ 3,008	$ 5,534	$ 13,713	$ 22,501
Other income	(20)	444	41	763
	2,988	5,978	13,754	23,264
Expenses:				
Exploration and evaluation	7,547	57,326	7,591	57,474
Production and operating	653	634	2,614	2,626
Depletion and depreciation	1,742	1,958	8,077	7,536
General and administrative	1,686	1,930	7,882	11,325
Share based compensation	158	480	654	1,610
Loss from investments in joint ventures	-	4,006	-	3,933
	11,786	66,334	26,818	84,504
Finance income	3,034	3,901	8,856	4,272
Finance expense	(584)	(363)	(2,361)	(510)
Net loss and comprehensive loss	$ (6,348)	$ (57,628)	$ (6,569)	$ (57,478)
Net loss per share				
Basic and Diluted	$ (0.04)	$ (0.36)	$ (0.04)	$ (0.36)

BNK PETROLEUM INC.
FOURTH QUARTER AND YEAR ENDED 2015
(Unaudited, expressed in Thousands of United States dollars, except as noted)

		4th Quarter		Year Ended Dec. 31	
		2015	2014	2015	2014
Oil revenue before royalties	$	3,011	6,035	14,823	24,398
Gas revenue before royalties		249	384	1,398	1,482
NGL revenue before royalties		369	390	1,385	1,811
Oil and Gas revenue		3,629	6,809	17,606	27,691
Cash flow used by operating activities		1,039	4,565	5,581	12,750
Additions to property, plant & equipment		(52)	(16,715)	(9,133)	(46,839)
Additions to Exploration and Evaluation Assets		58	(1,312)	(393)	(28,934)

Statistics:

	4th Quarter		Year Ended Dec. 31	
	2015	2014	2015	2014
Average oil production (Bopd)	832	910	879	739
Average natural gas production (mcf/d)	1,436	1,182	1,568	975
Average NGL production (Boepd)	296	173	275	151
Average production (Boepd)	1,367	1,280	1,415	1,053
Average oil price ($/bbl)	$39.36	$72.11	$46.20	$90.42
Average natural gas price ($/mcf)	$1.89	$3.53	$2.44	$4.16
Average NGL price ($/bbl)	$13.54	$24.55	$13.79	$32.78
Average price per barrel	$28.86	$57.82	$34.09	$72.05
Royalties per barrel	6.57	10.84	7.94	13.51
Operating expenses per barrel	5.19	5.38	5.05	6.83
Netback per barrel	$17.10	$41.60	$21.10	$51.71

The information outlined above is extracted from and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2015 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, 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. Management of the Company believes that such measures are relevant for evaluating returns on each of the Company's projects as well as the performance of the enterprise as a whole. The Company's Non-GAAP Measures may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to similar non-GAAP measures as reported by such organizations. The Company's Non-GAAP Measures should not be construed as alternatives to net income, cash flows related to operating activities, working capital or other financial measures determined in accordance with GAAP, as an indicator of the Company's performance.

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

CAUTIONARY STATEMENTS

(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) This news release and the Company's other disclosure may contain peak and 30-day initial production rates and other short-term production rates. Readers are cautioned that such production rates are not necessarily indicative of long-term performance or of ultimate recovery.

Readers are referred to the full description of the results of the Company's December 31, 2015 independent reserves evaluation and other oil and gas information contained in its Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* for the year ended December 31, 2015, which the Company filed on SEDAR on March 10, 2016.

Caution Regarding Forward-Looking Information

This release contains forward-looking information including information regarding the Company's commodity contract hedges, anticipated results from the Company's cost reduction measures, estimates of reserves and future net revenue, the proposed timing and expected results of exploratory and development work including production from the Lower Caney and upper Sycamore formations on the Company's Oklahoma acreage, the effect of design and performance improvements on future productivity, the Company's European projects, planned capital expenditure programs and cost estimates, planned use and sufficiency of cash on hand and cash flow from operations and the Company's strategy and objectives. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements.

Such forward-looking information is based on management’s expectations and assumptions, including that the Company will achieve a comparable level of hedging going forward in respect of its existing production, that the Company will achieve the results anticipated by management from its cost reduction measures, that the Company's geologic models 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 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 anticipated results and estimated costs will not be consistent with managements’ expectations, that the Company will not achieve a comparable level of hedging going forward in respect of its existing production, that the Company will not achieve the results anticipated by management from the Company’s cost reduction measures, the risks associated with the oil and gas industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration and development projects or capital expenditures; the uncertainty of reserve and resource estimates and projections relating to production, costs and expenses, and health, safety and environmental risks, including flooding and extended interruptions due to inclement or hazardous weather, the risk of commodity price and foreign exchange rate fluctuations, risks and uncertainties associated with securing the necessary regulatory approvals and financing to proceed with continued development of the Tishomingo Field and other shale basins in the United States and Europe, 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 is unable to access required capital, 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 and the Company’s other public disclosure, available under the Company’s profile on SEDAR at www.sedar.com.

With respect to estimated reserves and future net revenue, the evaluation of the Company's reserves is based on a limited number of wells with limited production history and includes a number of assumptions relating to factors such as availability of capital to fund required infrastructure, commodity prices, production performance of the wells drilled, successful drilling of infill wells, the assumed effects of regulation by government agencies and future capital and operating costs. All of these estimates will vary from actual results. Estimates of the recoverable oil and natural gas reserves attributable to any particular group of properties, classifications of such reserves based on risk of recovery and estimates of future net revenues expected therefrom, may vary. The Company's actual production, revenues, taxes, development and operating expenditures with respect to its reserves will vary from such estimates, and such variances could be material. In addition to the foregoing, other significant factors or uncertainties that may affect either the Company's reserves or the future net revenue associated with such reserves include material changes to existing taxation or royalty rates and/or regulations, and changes to environmental laws and regulations.

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

About BNK Petroleum Inc.

BNK Petroleum Inc. is an international oil and gas exploration and production company focused on finding and exploiting large, predominately unconventional oil and gas resource plays. Through various affiliates and subsidiaries, the Company owns and operates shale gas properties and concessions in the United States and Spain. 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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