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For Immediate Release

BNK PETROLEUM INC. ANNOUNCES 1st QUARTER 2016 RESULTS

CAMARILLO CALIFORNIA, May 5, 2016 -
All amounts are in U.S. Dollars unless otherwise indicated:

FIRST QUARTER HIGHLIGHTS

- Average production for the first quarter of 2016 was 1,352 BOEPD, an increase of 8% compared to 2015 production of 1,249 BOEPD due to the completion of the fracture stimulation operations on the previously drilled Nickel Hill 36-3H well and the Emery 17-1H well in mid-2015
- In the quarter, the Company continued to reduce its costs. G&A expenses decreased by 31% and per barrel operating costs decreased by 11% in the first quarter of 2016 compared to the first quarter of 2015
- Cash flow from operating activities was $1.5 million in the first quarter 2016 compared to $1.3 million in the first quarter of 2015
- Net loss for the first quarter of 2016 was $1.3 million compared to $0.8 million for the first quarter of 2015 most of which is due to a non-cash unrealized loss of $0.8 million from hedged commodity contracts in the first quarter of 2016
- Revenue, net of royalties was $2.1 million in the first quarter of 2016 compared to $3.2 million for first quarter of 2015, a decrease of 35%, as average prices declined by 41% between the quarters
- Average netback per barrel for the first quarter of 2016 was $12.29, a decrease of 47% from the prior year first quarter due to lower prices in 2016. If the commodity contract hedges are included in the computation, the average netback per barrel increases over 111% to $25.89, a decrease of only 17% from the first quarter 2015 amount
- In February 2016, the Company started the shutdown of the Poland operations by relinquishing the Slupsk concession which was its last remaining concession in Poland
- Cash totaled $2.9 million and working capital totaled $8.0 million at March 31, 2016
- In April 2016, the Company made a voluntary $1.8 million pay down on its credit facility

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

"Our first quarter 2016 production increased by 8% from the prior year first quarter to 1,352 BOEPD. The Company's existing production continues to perform well and we remain in a ready to drill state, with all the planning for the next wells complete. Our intent is to work with our lender and utilize our existing cash flow to begin drilling again when the pricing warrants.

"The Company continues to succeed in its cost cutting efforts. In the first quarter of 2016 a reduction of general and administrative expense of 31% was achieved over the first quarter of 2015 and our operating expense per barrel was reduced by 11% to $4.49/barrel compared to the prior year first quarter. These continued cost savings partially offset a 41% decrease in average prices compared to the prior year quarter and contributed to the Company generating positive cash flow from continuing operations of $1.5 million in the first quarter of 2016.

"The Company's hedging position has continued to allow us to realize higher prices than current market levels for a portion of our production. The Company's commodity contract hedges generated $1.7 million in realized gains during the first quarter of 2016 with about 73% of our oil production hedged. We expect a comparable level of hedging going forward on our forecasted existing production for the remainder of 2016.

"Average netbacks for the first quarter of 2016 were $12.29, a decrease of 47% 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 2016 would be $25.89, which is a decrease of only 17% compared to the first quarter of 2015."

"In the first quarter of 2016, the Company generated a net loss of $1,250,000 compared to $760,000 in the first quarter 2015. Oil and gas revenue, net of royalties was $2.1 million in the first quarter of 2016, a decrease of $1.1 million, or 35%, compared to the prior year quarter.

"The Company continues to evaluate alternatives for its Spain operations including continuing its efforts to partner with another company or reducing or ceasing its operations there. With the recently announced shutdown of Poland, we expect our European costs to be substantially reduced from prior years.

"In April, the Company made a voluntary $1.8 million pay down of its existing credit facility to reduce its ongoing interest payments, which amount remains available to the Company under the credit facility."

	1st Qtr 2016	1st Qtr 2015	%
Net loss:			
$ Thousands	$(1,250)	$(760)	(64)
$ per common share assuming dilution	$(0.01)	$(0.00)	-
Capital Expenditures	$131	$4,318	(97)
Average production per day (Boepd)	1,352	1,249	8
Average Product Price per Barrel	$21.69	$36.62	(41)
Average Netback per Barrel	$12.29	$23.33	(47)
Average Price per Barrel including Commodity Contracts	35.29	44.37	(20)
Average Netback per Barrel including Commodity Contracts	25.89	31.08	(17)

	3/31/2016	12/31/2015
Cash and Cash Equivalents	$2,885	$1,666
Working Capital	$7,950	$7,298

First Quarter 2016 versus First Quarter 2015

Oil and gas gross revenues totaled $2,669,000 in the quarter versus $4,117,000 in the first quarter of 2015. Oil revenues decreased $1,553,000 or 43% as average oil prices decreased $15.89 per barrel or

34% to $30.24 in addition to a 14% decrease in oil production per day to 744 boepd. Natural gas revenues decreased $75,000 or 20% to $299,000 as average natural gas prices decreased $1.04/mcf or 35% to $1.93 which was partially offset by a 22% increase in natural gas production of 305 cubic feet per day (mcf/d) to 1,702 mcf/d. Natural gas liquids (NGL's) revenues increased $180,000 or 126% as NGL production increased 117% to 324 boepd while average NGL prices increased 3% to $10.96.

Average first quarter 2016 production per day increased 8% from the first quarter of 2015 due to the production from the previously drilled Nickel Hill 36-3H well and the Emery 17-1H well which were completed in the second quarter of 2015.

Production and operating expenses decreased slightly to $552,000 and the per barrel production and operating costs decreased by 11% to $4.49/barrel due to the Company's cost cutting efforts.

Depletion and depreciation expense decreased $140,000 or 8% due to an decrease in the reserve base in 2016.

General and administrative expenses decreased $637,000 or 31% due to cost cutting efforts which included reduced salary and benefits expense and legal, accounting and consulting costs.

Share based compensation decreased $138,000 or 77% due to the timing of stock awards granted to employees.

Finance income decreased $373,000 in the first quarter of 2016 compared to the prior year quarter primarily due to prior year unrealized gains on commodity contracts.

Finance expense increased $614,000 in the first quarter of 2016 compared to the prior year quarter primarily due to unrealized gains on commodity contracts and the interest expense on the credit facility.

Capital expenditures of $131,000 were incurred in the first quarter of 2016 relating to the US operations.

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

	March 31 2016	December 31 2015
Current Assets		
Cash	$2,885	$1,666
Trade and other receivables	2,853	2,905
Other current assets	811	906
Fair value of commodity contracts	3,988	4,459
	10,537	9,936
Non-current assets		
Property, plant and equipment	134,680	136,233
Exploration and evaluation assets	835	835
Fair value of commodity contracts	2,481	2,802
	137,996	139,870
Total Assets	$148,533	$149,806
Current Liabilities		
Trade and other payables	$2,587	$2,638
	2,587	2,638
Non-current liabilities		
Loans and borrowings	24,001	23,961
Asset retirement obligations	725	788
	24,726	24,749
Equity		
Share capital	279,859	279,859
Contributed surplus	21,522	21,471
Deficit	(180,161)	(178,911)
Total Equity	121,220	122,419
Total Equity and Liabilities	$148,533	$149,806

BNK PETROLEUM INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

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

($000 except as noted)

	Three months ended March 31,	
($000's)	**2016**	**2015**
Oil and gas revenue net of royalties	$2,064	$3,191
Other income	6	3
	2,070	3,194
Exploration and evaluation expenditures	-	32
Production and operating expenses	552	572
Depletion and depreciation	1,671	1,811
General and administrative expenses	1,408	2,045
Share based compensation	42	180
	$3,673	$4,640
Finance Income	1,680	2,053
Finance Expense	(1,324)	(710)
Net loss and comprehensive loss from continuing operations	$(1,247)	$(103)
Net loss and comprehensive loss from discontinued operations	(3)	(657)
Net loss	(1,250)	(760)
Net loss per share	$(0.01)	$(0.00)

BNK PETROLEUM INC.

FIRST QUARTER 2016

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

	Quarter Ending March 31, 2016	2015
Oil revenue before royalties	$2,047	$3,600
Gas revenue before royalties	299	374
NGL revenue before royalties	323	143
Oil and Gas revenue	2,669	4,117
Cash flow provided by operating activities	1,544	1,282
Capital expenditures	(131)	(4,318)
Statistics:		
Average oil production (Bopd)	744	867
Average natural gas production (mcf/d)	1,702	1,397
Average NGL production (Boepd)	324	149
Average production (Boepd)	1,352	1,249
Average oil price ($/bbl)	$ 30.24	$ 46.13
Average natural gas price ($/mcf)	1.93	2.97
Average NGL price ($/bbl)	10.96	10.68
Average price per barrel	$21.69	$36.62
Royalties per barrel	4.91	8.24
Operating expenses per barrel	4.49	5.05
Netback per barrel	$12.29	$23.33
Average price per barrel including commodity contracts	$35.29	$44.37
Royalties per barrel	4.91	8.24
Operating expenses per barrel	4.49	5.05
Netback per barrel including commodity contracts	$25.89	$31.08

The information outlined above is extracted from and should be read in conjunction with the Company's unaudited financial statements for the three months ended March 31, 2016 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

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

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 Company's commodity contract hedges, anticipated results from the Company's cost reduction measures, the proposed timing and expected results of exploratory and development work including production from the Company's Tishomingo field, Oklahoma acreage, availability of funds from the Company's reserves based loan facility, 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 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 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's geologic and reservoir models or analysis are not validated, 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 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 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 funds will not be available from the Company's reserves based loan facility when required to fund 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 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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