760 Paseo Camarillo, Suite 350
Camarillo, California 93010
Phone: (805) 484-3613
Fax: (805) 484-9649

TSX ticker symbol; BKX

For Immediate Release

BNK PETROLEUM INC. ANNOUNCES 3RD QUARTER 2016 RESULTS

CAMARILLO, CALIFORNIA, November 8, 2016 -
All amounts are in U.S. Dollars unless otherwise indicated:

THIRD QUARTER HIGHLIGHTS:

- In October 2016, the Company completed an equity offering under which it issued 70,000,000 shares at a price of C$0.20 per share for gross proceeds of C$14,000,000. The Company intends to use proceeds from this offering to fund a drilling program with an expected start date in early December for the further development of its Tishomingo Field, located in Oklahoma
- Operating cash flow from continuing operations was $2.0 million for the third quarter of 2016 compared to $2.6 million in the third quarter of 2015
- Average netbacks were $18.58 per BOE for the quarter, a decrease of 3% compared to the third quarter of 2015. If the realized gains from the commodity contracts are included, the average netbacks for the quarter increased by almost $10/barrel to $28.24 per BOE as more than 75% of the Company's oil production was hedged at $64.82. The Company has a comparable percentage of oil hedged at $64.88 for the fourth quarter of 2016 and $61.93 for 2017 based on its forecasted existing production
- Revenue, net of royalties was $2.3 million for the third quarter of 2016 compared to $3.5 million in the third quarter of 2015 due to lower production
- Average production was 1,024 barrels of oil equivalent per day (BOEPD) for the third quarter of 2016, a decrease of 34% compared to the third quarter 2015 production of 1,554 BOEPD due to the completion of the Nickel Hill 36-3H well and the remaining portion of the Emery 17-1H well in mid-2015
- During the third quarter, the Company made additional paydowns totaling $2.1 million on its credit facility to reduce the outstanding balance to $20.5 million. The Company has $3.9 million available to borrow on the credit facility as the existing lenders reaffirmed the Company's available borrowing capacity at $24.4 million subsequent to the end of the third quarter
- General & administrative expenses decreased by a further 6% in the third quarter of 2016 compared to the third quarter of 2015 due to the Company's ongoing cost cutting efforts
- Net loss was $0.8 million for the third quarter of 2016 compared to a net income of $4.2 million in the third quarter of 2015. The third quarter of 2015 included an unrealized gain on commodity hedges totaling $4.3 million
- Cash and working capital totaled $1.7 million and $3.7 million respectively at September 30, 2016

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

“With the recently announced completion of our equity offering, we are moving ahead with a drilling program to further develop our Tishomingo Field in Oklahoma. We are in negotiations with drilling rig contractors and plan to begin drilling the first location, the Chandler 8-6H well in which we have a 99.9% working interest, in early December. The Chandler 8-6H well and subsequent locations in the planned drilling program are in comparable geographic areas to some of our best performing wells and we expect the wells to significantly increase our cash flow as well as prove up additional reserves.

“We continue to generate positive cash flow due to our cost cutting efforts and the impact of our hedging program. The Company generated over $2.0 million of operating cash flows from our continuing operations in the third quarter of 2016, even though our production was down 34% from the prior year quarter. In the first nine months of 2016 we have generated $5.6 million of positive cash flow from continuing operations.

“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 $0.9 million in realized gains during the third quarter of 2016 as more than 75% of our oil production was hedged at $64.82. We have a comparable percentage of oil hedged at $64.88 for the fourth quarter of 2016 and $61.93 for 2017 based on our forecasted existing production.

“In order to reduce our interest expense, we have been using our positive operating cash flow to make paydowns totaling $3.9 million on our credit facility during 2016. Our current outstanding balance on the credit facility is now $20.5 million. As announced last week, our existing lenders reaffirmed our credit facility at its current outstanding borrowing base of $24.4 million, so the Company has $3.9 million available to borrow in addition to the net proceeds from the equity offering and operating cash flow.

“Our third quarter production decreased to 1,024 BOEPD, a decrease of 34% compared to the prior year third quarter, due to the fracture stimulation of the previously drilled Nickel Hill 36-3H well and the remaining stages in the Emery 17-1H well in mid-2015.

“The Company recorded net loss of $0.8 million in the third quarter of 2016 compared to a net income of $4.2 million in the third quarter of 2015. The third quarter of 2015 included an unrealized gain on commodity hedges totaling $4.3 million compared to an unrealized loss of $0.4 million in the third quarter of 2016.

“Average netbacks were $18.58 per BOE for the quarter, a decrease of 3% compared to the third quarter of 2015. If the realized gains from the commodity contracts are included, the average netbacks for the quarter increase to $28.24 per BOE in the third quarter of 2016.

	Third Quarter 2016	2015	%	First Nine Months 2016	2015	%
Net Income (Loss):						
$ Thousands	$(843)	$4,197	-	$(7,403)	$(221)	(3,250%)
$ per common share assuming dilution	$(0.01)	$0.03	-	$(0.05)	$(0.00)	-
Capital Expenditures	$209	$684	(69%)	$746	$9,109	(92%)
Average Production (boepd)	1,024	1,554	(34%)	1,174	1,432	(18%)
Average Price per Barrel	$31.84	$31.65	1%	$27.44	$35.75	(23%)
Average Netback per Barrel	$18.58	$19.24	(3%)	$15.97	$22.37	(29%)
Average Price per Barrel including Commodity Contracts	$41.50	$40.91	1%	$38.47	$43.09	(11%)
Average Netback per Barrel including Commodity Contracts	$28.24	$28.50	(1%)	$27.00	$29.71	(9%)

	September 2016	June 2016	December 2015
Cash and Cash Equivalents	$1,677	$2,442	$1,666
Working Capital	$3,748	$5,278	7,298

Third Quarter 2016 versus Third Quarter 2015

Oil and gas gross revenues totaled $3,001,000 in the third quarter 2016 versus $4,526,000 in the third quarter of 2015. Oil revenues were $2,459,000 in the third quarter 2016 versus $3,693,000 in the third quarter of 2015, a decrease of 33% as average oil production decreased by 31%. Natural gas revenues decreased $196,000 or 47%, as natural gas production decreased 44% compared to the third quarter of 2015. Natural Gas Liquid (NGL) revenue decreased $95,000 or 23% to $317,000 as average production decreased 35% which was partially offset by an average NGL price increase of 18%.

Production and operating expenses decreased $147,000 between quarters. These costs declined from the prior year quarter due to lower production volumes.

Depletion and depreciation expense decreased $998,000 between quarters due to decreased production.

General and administrative expenses decreased $53,000 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 $4,711,000 due to an unrealized gain on financial commodity contracts in 2015 of $4,286,000. Finance expense increased $318,000 primarily due to an unrealized loss on financial commodity contracts in 2016 of $445,000 offset by lower interest expense.

FIRST NINE MONTHS 2016 HIGHLIGHTS

- In October 2016, the Company completed an equity offering under which it issued 70,000,000 shares at a price of C$0.20 per share for gross proceeds of C$14,000,000. The Company intends to use proceeds from this offering to fund a drilling program for the further development of its Tishomingo Field, located in Oklahoma
- Operating cash flow from continuing operations was $5.6 million for the first nine months of 2016 compared to $6.6 million in the comparable period in 2015
- General & administrative expenses decreased by 20% and operating expenses decreased by 14% for the first nine months of 2016 compared to the first nine months of 2015 due to the Company's continued cost cutting efforts
- Revenue, net of royalties was $6.8 million for the first nine months of 2016 compared to $10.7 million in the first nine months of 2015 due to lower prices and lower production in 2016 compared to the comparable period in 2015
- Average production was 1,174 BOEPD for the first nine months of 2016, a decrease of 18% compared to the first nine months of 2015 production due to the completion of the Nickel Hill 36-3H well and the remaining portion of the Emery 17-1H well in mid-2015
- Average netbacks were $15.97 per BOE for the first nine months of 2016, a decrease of 29% compared to the first nine months of 2015 due to lower prices in 2016. If the realized gains from the commodity contracts are included, the average netbacks for the first nine months increase by more than $11/barrel to $27.00 per BOE
- During the first nine months of 2016, the Company made paydowns totaling $3.9 million on its credit facility to reduce the outstanding balance to $20.5 million. The Company has $3.9 million available to borrow on the credit facility as the existing lenders reaffirmed our available borrowing capacity at $24.4 million subsequent to the end of the period
- Net loss was $7.4 million for the first nine months of 2016 compared to net loss of $221,000 in first nine months of 2015. The first nine months of 2016 included an unrealized loss on commodity contracts of $6.0 million.

First Nine Months of 2016 versus First Nine Months of 2015

Oil and gas gross revenues totaled $8,826,000 in the first nine months of 2016 versus $13,977,000 in the first nine months of 2015. Oil revenues were $7,098,000 in the first nine months of 2016 versus $11,812,000 in the first nine months of 2015, a decrease of 40% as average oil prices decreased 21% or $10.31 a barrel for the period, coupled by a decrease in production of 24%. Natural gas revenues decreased $455,000 or 40%, in the first nine months of 2016 as natural gas production decreased 20% and average natural gas prices decreased 25% compared to the first nine months of 2015. NGL revenue increased $18,000, or 2%, due to an increase in NGL production of 3% which was partially offset by an average NGL price decrease of 2% in the first nine months of 2016.

Production and operating expenses decreased $268,000 or 14% for the first nine months of 2016 compared to the prior year first nine months due to a decrease in total production.

Depletion and depreciation expense decreased $1,881,000 due to decreased production.

General and administrative expenses decreased $711,000, or 20%, due to the Company's cost cutting efforts which resulted in lower salary and benefits, professional fees and travel costs.

Finance income decreased $1,748,000 due to an unrealized gain on financial commodity contracts in 2015 of $2,374,000. Finance expense increased $5,718,000 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, 2016	December 31, 2015
Current assets		
Cash and cash equivalents	$ 1,677	$ 1,666
Trade and other receivables	1,624	2,905
Deposits and prepaid expenses	830	906
Fair value of commodity contracts	1,919	4,459
	6,050	9,936
Non-current assets		
Fair value of commodity contracts	-	2,802
Property, plant and equipment	132,562	136,233
Exploration and evaluation assets	835	835
	133,397	139,870
Total assets	$ 139,447	$ 149,806
Current liabilities		
Trade and other payables	$ 2,302	$ 2,638
	2,302	2,638
Non-current liabilities		
Loans and borrowings	20,170	23,961
Asset retirement obligations	735	788
Fair value of commodity contracts	623	-
	21,528	24,749
Equity		
Share capital	279,859	279,859
Contributed surplus	22,072	21,471
Deficit	(186,314)	(178,911)
Total equity	115,617	122,419
Total equity and liabilities	$ 139,447	$ 149,806

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	
	2016	2015	2016	2015
Oil and natural gas revenue, net	$ 2,321	$ 3,470	$ 6,828	$ 10,705
Other income	1	1	2	6
	2,322	3,471	6,830	10,711
Exploration and evaluation expenditures	-	-	-	44
Production and operating expenses	570	717	1,693	1,961
Depletion and depreciation	1,286	2,284	4,381	6,262
General and administrative expenses	872	925	2,902	3,613
Share based compensation	144	127	506	455
	2,872	4,053	9,482	12,335
Finance income	915	5,626	3,560	5,308
Finance expense	(880)	(562)	(7,436)	(1,718)
Net income (loss) and comprehensive income (loss) from continuing operations	$ (515)	$ 4,482	$ (6,528)	$ 1,966
Net loss and comprehensive loss from discontinued operations	(328)	(285)	(875)	(2,187)
Net income (loss)	(843)	4,197	(7,403)	(221)
Net income (loss) per share	$ (0.01)	$ 0.03	$ (0.05)	$ (0.00)

BNK PETROLEUM INC.
THIRD QUARTER 2016
($000 except as noted)

		Third Quarter			First Nine Months	
		2016	2015		2016	2015
Oil revenue before royalties	$	2,459	3,693	$	7,098	11,812
Gas revenue before royalties		224	420		694	1,149
NGL revenue before royalties		317	412		1,034	1,016
Gross Oil and Gas revenue	$	3,000	4,525	$	8,826	13,977
Cash Flow from continuing operations		2,016	2,561		5,560	6,616
Additions to property, plant & equipment		(209)	(685)		(746)	(9,081)
Additions to exploration and evaluation assets		-	-		-	(28)

Statistics:

	Third Quarter		First Nine Months	
	2016	2015	2016	2015
Average oil production (Bopd)	628	904	681	895
Average natural gas production (mcf/d)	1,001	1,799	1,293	1,613
Average NGL production (Boepd)	229	350	277	268
Average production (Boepd)	1,024	1,554	1,174	1,432
Average oil price ($/bbl)	$42.55	$44.41	$38.04	$48.35
Average natural gas price ($/mcf)	$2.43	$2.54	$1.96	$2.61
Average NGL price ($/bbl)	$15.07	$12.78	$13.60	$13.88
Average price per barrel	$31.84	$31.65	$27.44	$35.75
Royalties per barrel	7.21	7.39	6.21	8.37
Operating expenses per barrel	6.05	5.02	5.26	5.01
Netback per barrel	$18.58	$19.24	$15.97	$22.37
Average price per barrel including commodity contracts	$41.50	$40.91	$38.47	$43.09
Royalties per barrel	7.21	7.39	6.21	8.37
Operating expenses per barrel	6.05	5.02	5.26	5.01
Netback per barrel including commodity contracts	$28.24	$28.50	$27.00	$29.71

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, 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

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.

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 use of proceeds from the equity offering completed in October 2016, 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 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'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), 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, 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.

For further information, contact:

Wolf E. Regener, President and Chief Executive Officer +1 (805) 484-3613
Email: investorrelations@bnkpetroleum.com
Website: www.bnkpetroleum.com