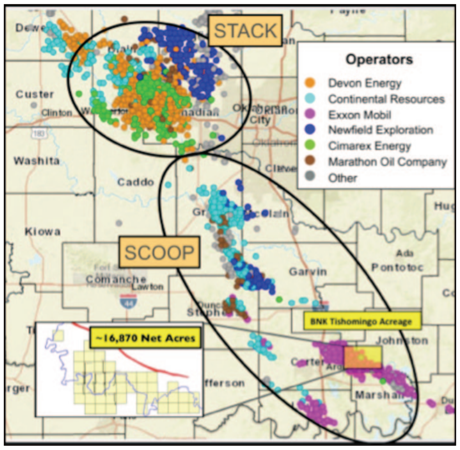
PROFILED COMPANY

TSX: BKX, OTC MARKETS: BNKPF

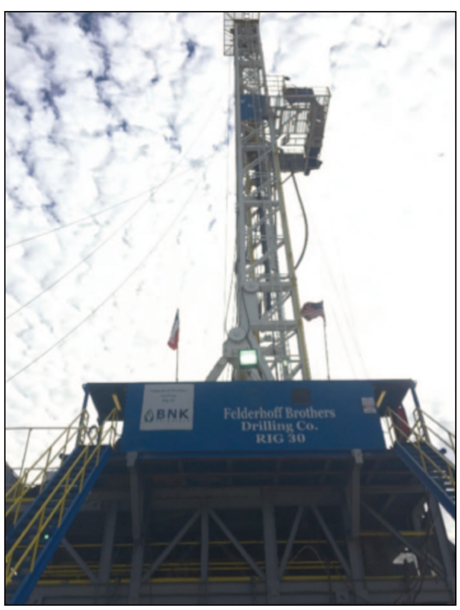
# BNK Petroleum, Inc.

**BNK Petroleum, Inc. is an oil and gas exploration and development company focused on finding and exploiting large, predominantly unconventional, oil and gas resource plays.**



Operators in SCOOP and STACK Plays

BNK's operations are focused on its Tishomingo Field, located in the SCOOP region of the SCOOP/STACK area of Oklahoma. The SCOOP/STACK region is currently among the hottest oil plays in the United States. BNK has amassed over 16,800 acres in this project and has proved and probable reserves of 42 million barrels of oil equivalent (BOE) from the Caney formation which are valued at $370 million per its last reserve report dated December 31, 2016. In addition, it's proved, probable and possible reserves were estimated at 66 million BOE's with a value of $695 million also per its last reserve report. The reserves were evaluated by Netherland, Sewell and Associates, Inc. and are summarized in BNK's most recent Statement of Reserves Data and Other Oil and Gas Information available at www.sedar.com and at www.otcmarkets.com. In 2016, the Company averaged 1,045 BOE's a day of production which generated positive operating cash flow from continuing operations of $5.2 million during the year where the average West Texas Intermediate Oil price was $43.15.



BNK Drilling Rig #1

In the Tishomingo Field, BNK originally developed the Woodford shale formation by drilling and participating in about 40 Woodford shale wells. The Woodford shale lies about 350 feet below the Caney shale that holds BNK's current reserves. BNK sold its acreage to XTO Energy (a subsidiary of Exxon) for $147 million in 2013, but retained its rights to develop the slightly shallower Caney formation. XTO Energy now owns over 280,000 acres in the SCOOP play and surrounds BNK's acreage. In addition, during the sale, BNK negotiated the right to utilize the existing Woodford gas gathering system, eliminating the need to build out costly infrastructure for the development of its Caney wells.

BNK's latest reserve report ascribed additional 157 well locations to its reserves, so the Company has many future well locations that it can drill. In addition, the reserve report is only evaluating 68% of BNK's acreage in the field. As the Company continues to drill wells on its acreage further to the east, BNK's management believes that its reserves base will increase even further as this acreage is added to future reserve reports. BNK has been operating in the Tishomingo field since 2005 and has acquired information on the Caney shale that was penetrated originally

BNK Drilling Rig #2

to produce from the deeper Woodford wells. Therefore, its technical team has an excellent understanding of the geology which makes the drilling risk lower by design.

The Company has a very strong management team in place. Wolf Regener is the CEO and he has 30 years of oil and gas experience in key senior executive positions in a number of companies. He has had many different roles throughout his career, including an extensive operations and finance background. BNK's CFO is Gary Johnson who is a CPA with over 25 years of experience including his role at Occidental Petroleum where he was Director of Technical Accounting. At Occidental Petroleum, Gary was responsible for the company's public filings and worldwide accounting compliance. Ray Payne is the Vice President of Operations and his previous job was with Marathon Oil Company as Manager Drilling and Operations where he developed Marathon's South Texas Eagle Ford shale asset, which in two years added more than a billion barrels of reserves.

In late 2014, when oil prices dropped so dramatically, BNK quickly stopped its drilling program. Since 96% of its acreage is held by production from the previously drilled Woodford wells, the Company did not have to continue to drill wells to hold on to its current acreage position.

Now that oil prices have somewhat recovered from the lows of 2015 and 2016, the Company has restarted it's drilling program. According to Wolf Regener, "BNK is currently planning on fracture stimulating its latest 2 wells in 3rd quarter 2017, which have already been drilled and cased. These two wells incorporate all the Company's learnings to date, which we believe will result in the most productive wells we have had, and will demonstrate that we can have good rates of return even in a lower oil price environment."

BNK's Tishomingo field production generated $26 per BOE of production (netbacks) in the first quarter of 2017. If cash received from its hedging program is included in the BOE calculation, then BNK's netbacks increase to about $33 per BOE for the quarter.

The Company also has a new financing agreement and existing oil hedges to minimize fluctuations in cash flow going forward. In June 2017, BNK announced a new $25 million line of credit provided by BOK Financial, which has a five year term and provides a lower interest rate compared to their previous loan. Gary Johnson, BNK CFO stated, "The new line of credit will save the Company about $650,000 per year of interest expense, assuming the line is fully drawn. We have also lessened the impact from oil price swings, as we have oil hedges in place for 75% of our forecasted production from our existing wells, at an average of $61.55/barrel for 2017 and $53.72/barrel for 2018."

BNK expects that the productivity of the two upcoming well completions will demonstrate the potential excellent rates of return from its Caney formation wells. "These latest two wells incorporate everything we have learned from our previous wells and we are confident the new wells will quickly increase our production and cash flow, so we can accelerate the development of the large reserves we have in our field" stated Ray Payne, Vice President US Operations. BNK's plan going forward, is to utilize the operating cash flow and new bank line to drill more wells, prove up additional reserves, and increase production to grow the value of the Company.

BNK Drilling Rig #3

www.bnkpetroleum.com ■

*The company paid consideration to SNN or its affiliates for this article.*