

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

BNK Petroleum Inc. (the "**Company**")
760 Paseo Camarillo, Suite 350
Camarillo, CA 93010

Item 2 Date of Material Change

October 28, 2016

Item 3 News Release

Issued on October 28, 2016 and distributed through the facilities of CNW.

Item 4 Summary of Material Change

The Company announced the completion of its previously announced short form prospectus offering (the "**Offering**") of common shares of the Company (the "**Shares**").

Item 5.1 Full Description of Material Change

The Company completed the Offering through a syndicate of agents co-led by GMP FirstEnergy and Haywood Securities Inc. and including Macquarie Capital Markets Canada Ltd., pursuant to which the Company issued an aggregate of 70,000,000 Shares at a price of C\$0.20 per Share for gross proceeds of C\$14,000,000.

Certain directors and senior officers of the Company (the "**Interested Parties**") participated in the Offering as follows:

Name of Director/Officer	Number of Shares⁽¹⁾
Victor Redekop, Director	1,000,000
Ford Nicholson, Director	1,000,000
Wolf Regener, Director, President and Chief Executive Officer	1,050,000
Eric Brown, Director	150,000
Gregory Cameron, Director	650,000
Raymond Payne, Vice President U.S. Operations	700,000

Name of Director/Officer	Number of Shares⁽¹⁾
General Wesley Clark, Director	130,000
Total	4,680,000

(1) Beneficially owned or over which control is exercised by such Interested Party and his related parties or associated entities.

Accordingly, the Offering constituted to that extent a "related party transaction" under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The directors of the Company, excluding the interested directors to the extent of his own participation in the Offering, determined that the Offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to the exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 as at the time the Offering was agreed to, neither the fair market value of the securities to be distributed in the Offering nor the consideration to be received for those securities, insofar as the Offering involves the Interested Parties, exceeded 25% of the Company's market capitalization.

The table below sets out the shareholdings of the Interested Parties prior to and following completion of the Offering on a non-diluted basis:

Name	Shareholdings prior to the Offering⁽¹⁾		Shareholdings following the Offering⁽¹⁾	
	Number	Percentage	Number	Percentage
Victor Redekop	3,379,437	2.1%	4,379,437	1.9%
Ford Nicholson	4,418,697	2.7%	5,418,697	2.3%
Wolf Regener	2,074,185	1.3%	3,124,185	1.3%
Eric Brown	262,000	0.2%	412,000	0.2%
Gregory Cameron	170,000	0.1%	820,000	0.4%
Raymond Payne	699,900	0.4%	1,399,900	0.6%
General Wesley Clark	456,000	0.3%	586,000	0.3%
Total	11,460,219	7.0%⁽²⁾	16,140,219	6.9%⁽²⁾

(1) Beneficially owned or over which control is exercised by such Interested Party and his related parties or associated entities.

(2) Numbers may not add up due to rounding.

The Company did not file a material change report more than 21 days before the expected closing of the Offering as the details of the Offering and the participation therein by related parties of the Company were not settled until shortly prior to closing and the Company wished to close the Offering on an expedited basis for sound business reasons.

A copy of the Company's news release dated October 28, 2016 announcing the completion of the Offering is attached as Schedule "A" hereto.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

Contact: Wolf Regener, President and Chief Executive Officer
Telephone: (805) 484-3613

Item 9 Date of Report

November 3, 2016

	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 COMPLETION OF
C\$14.0 MILLION FINANCING**

CAMARILLO, CALIFORNIA, October 28, 2016 – **BNK Petroleum Inc. (the “Company”) (TSX: BKX)** is pleased to announce the completion of its previously announced short form prospectus offering (the “Offering”) of common shares of the Company (the “Shares”) through a syndicate of agents co-led by GMP FirstEnergy and Haywood Securities Inc. and including Macquarie Capital Markets Canada Ltd.

Pursuant to the Offering, the Company 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 the net proceeds to fund exploration and development of its Tishomingo Field, located in Oklahoma, U.S. and for general corporate purposes.

Wolf Regener, President & CEO, commented:

“With the closing of this offering, which was increased by more than 25% due to strong support from existing shareholders as well as new investors, we are moving ahead with a drilling program that will take advantage of the current low cost environment. The location of our proposed wellsites offset some of our best performing wells, in a geologically comparable area. We expect our drilling program to increase cash flow while at the same time proving up additional reserves.

“The preparation of our first location is almost complete, we are currently evaluating bids for a drilling rig and will select a vendor shortly. We expect to provide a further update when we announce our third quarter results in early November.”

Directors and senior officers of the Company purchased a total of 4,680,000 Shares in the Offering. Accordingly, the Offering constituted to that extent a "related party transaction" under Multilateral Instrument 61-101 ("MI 61-101"). The transaction is exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 as neither the fair market value of any shares issued to or the consideration paid by such persons exceeds 25% of the Company's market capitalization. The Company did not file a material change report more than 21 days before the expected closing of the Offering as the details of the Offering and the participation therein by related parties of the Company were not settled until shortly prior to closing and the Company wished to close on an expedited basis for sound business reasons.

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 oil and 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 BKK.

For further information, contact:

Wolf E. Regener +1 (805) 484-3613
Email: investorrelations@bnkpetroleum.com
Website: www.bnkpetroleum.com

Caution Regarding Forward-Looking Information

This release contains forward-looking information including statements regarding the use of proceeds from the Offering and expected results. Such forward-looking information is based on management's expectations and assumptions, including 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's geologic and reservoir models or analysis are not validated, that the Company will not achieve the results anticipated, 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 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, the final prospectus for the Offering 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.