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Ministerie van Economische Zaken

Directeur Energiemarkt ALP 562
T.a.v. Mevr. M. Traas
Postbus 20101
2500 EC DEN HAAG

Advocaat
Layyer, trainee

May 23, 2012

Ref: BNK052012
RE: BNK Concession Application Additional Documentation

Dear

On behalf of BNK Petroleum Inc., I am hereby submitting the additional information pursuant to the Technical Requirements for Operators in the Netherlands (*Technische eisen aan operators*).

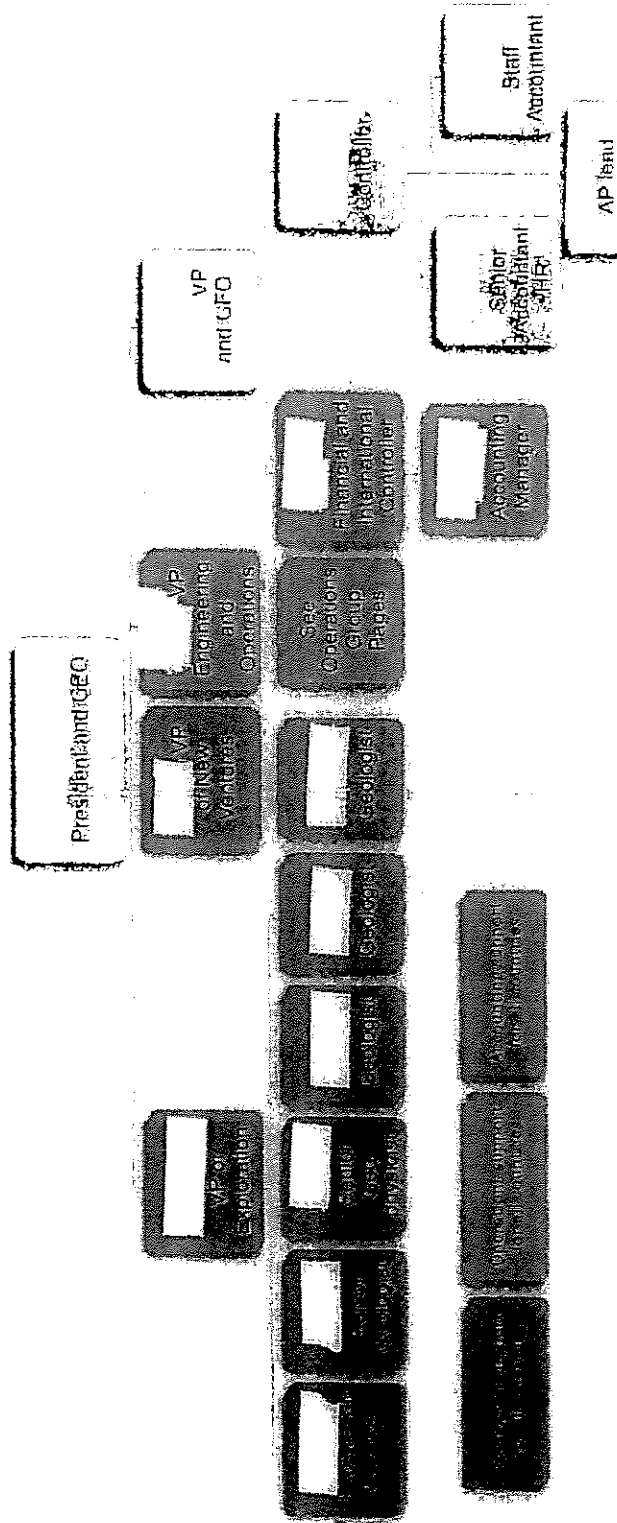
Enclosed you will find the following documents.

1. BNK Netherlands Invisioned Operations Substructure
2. BNK Corporate Governance Policies and Practices
3. BNK Code of Business Conduct and Ethics
4. BNK's Health, Safety and Environmental Management System
5. BNK Presentation on the application for Exploration in the Netherlands (as presented to TNO on 22 March 2012).
6. BNK Resumes of Managerial Team
7. Resumes of BNK's Legal Advisors and information on Baker & McKenzie's expertise in the area of Mining regulations.

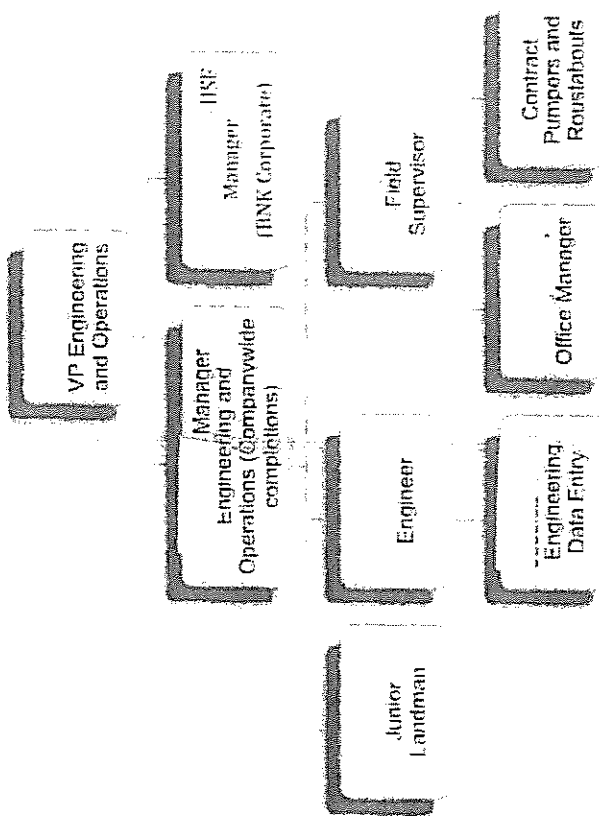
If you require any additional information from BNK Petroleum Inc. in consideration of BNK's application, please do not hesitate to contact me

Yours faithfully,

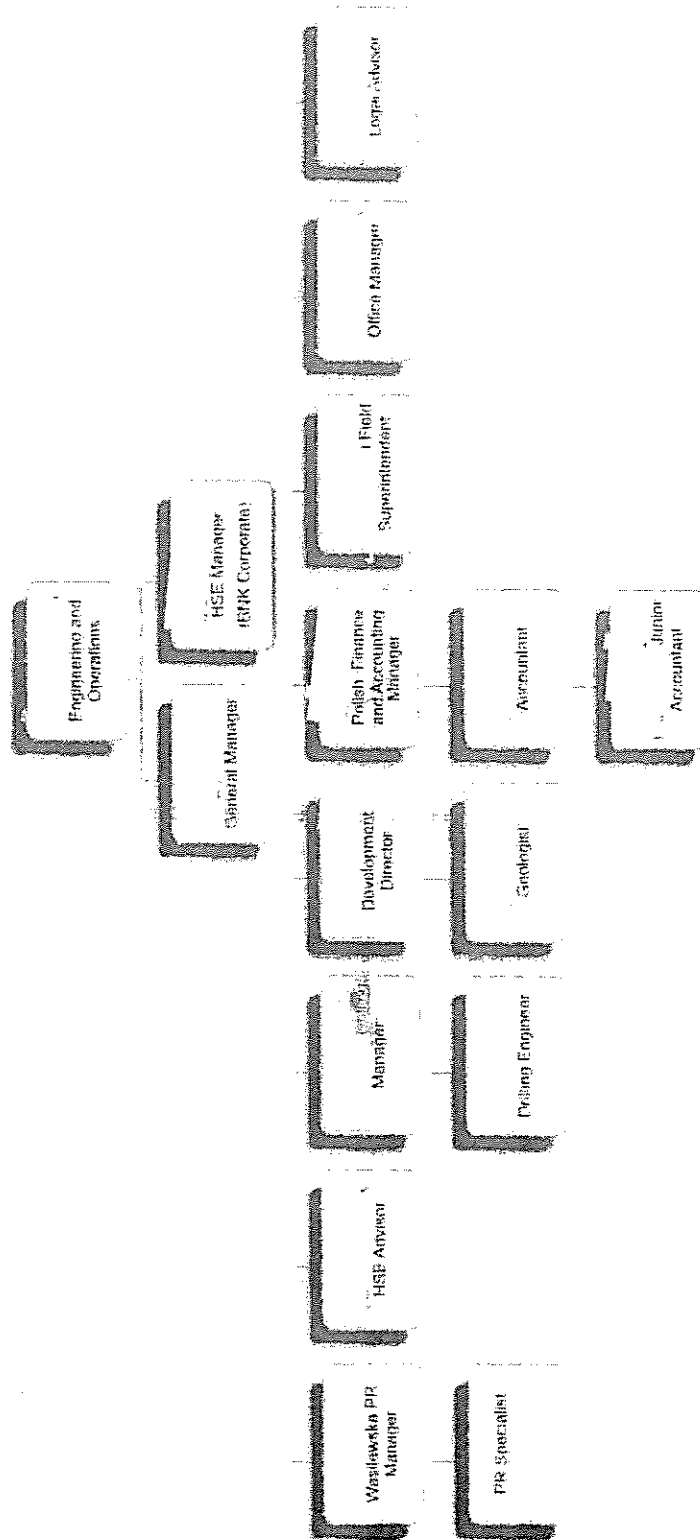
BNK CORPORATE OFFICE STRUCTURE



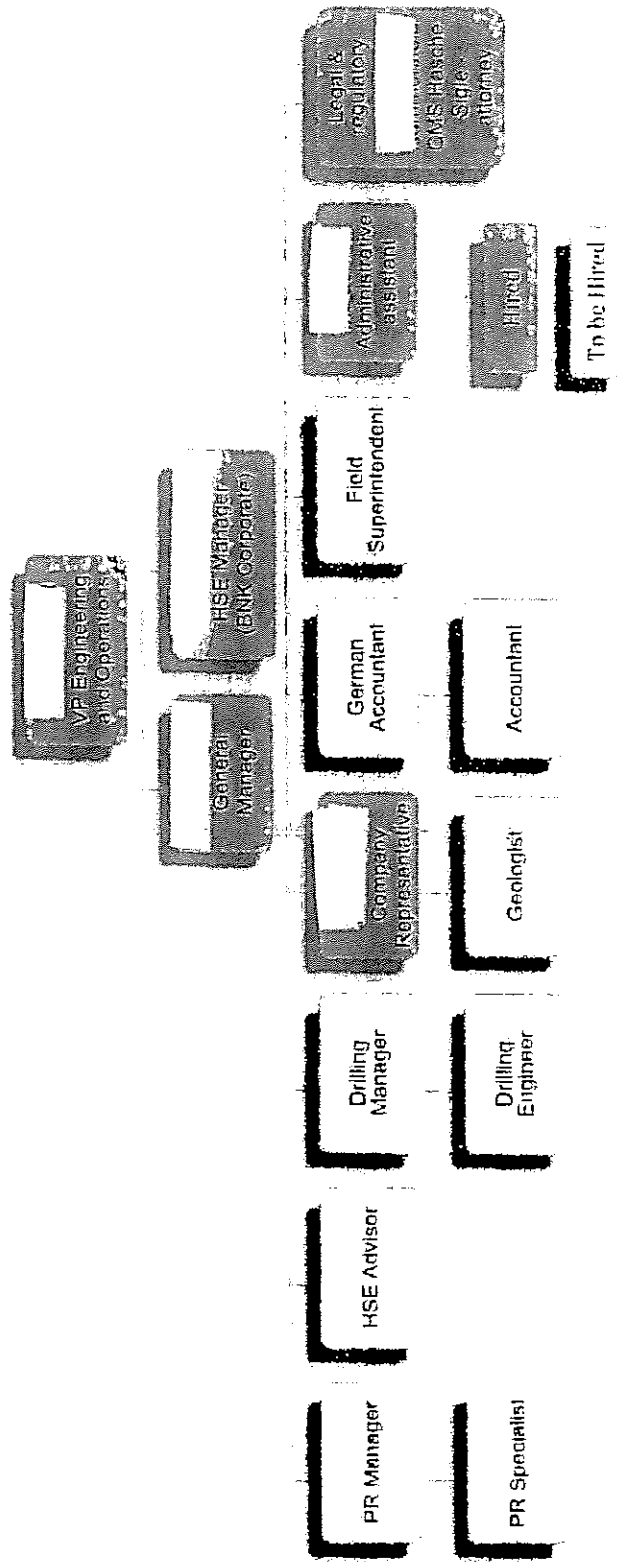
BNK Petroleum U.S. Substructure – operations con't



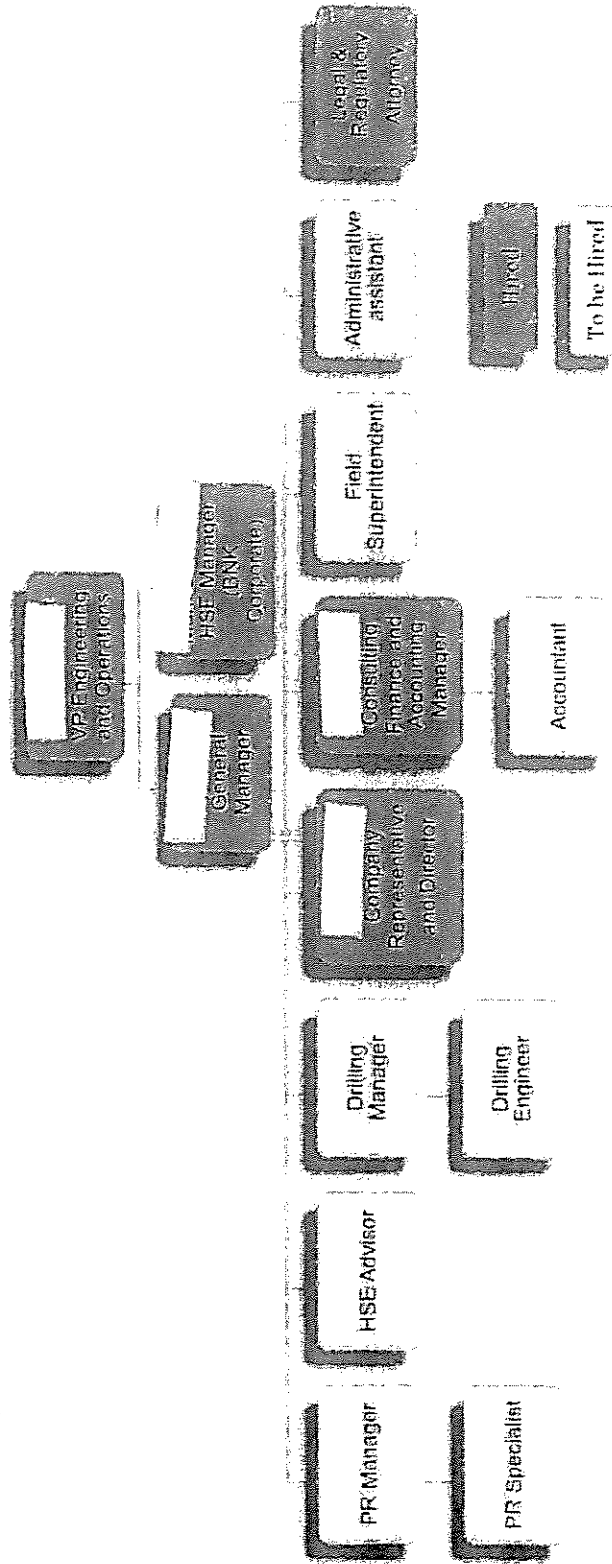
BNK Polish Substructure – Operations con't



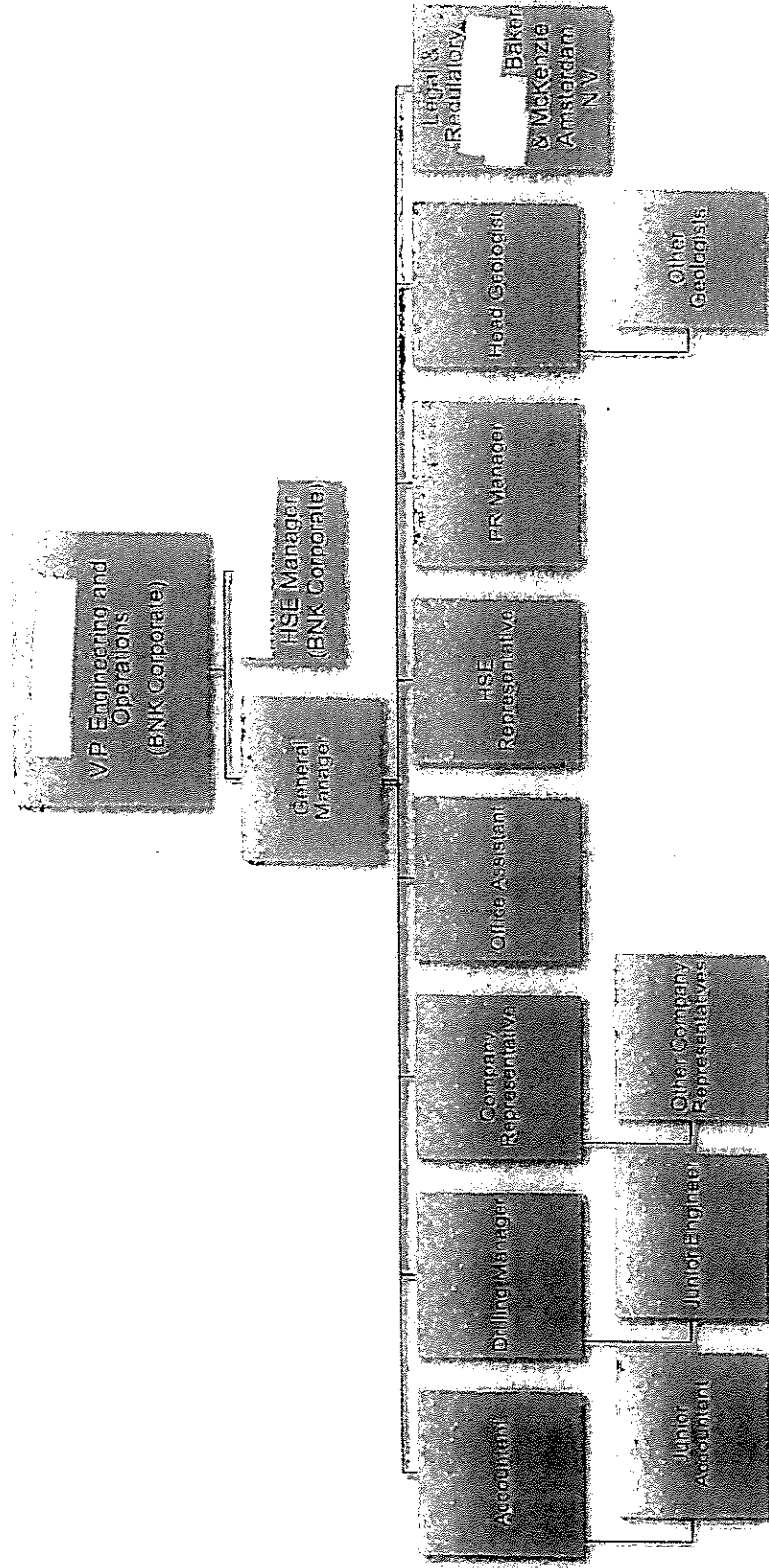
BNK German Substructure – operations con't



BNK Trofagas (Spain) Substructure – operations con't

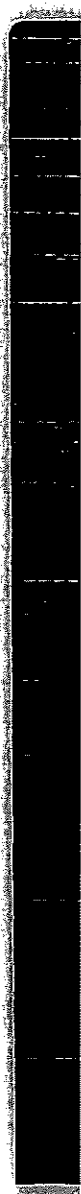


BNK Netherlands Envisioned Operations Substructure



2012-05-25

25-5-2012





CORPORATE GOVERNANCE POLICIES AND PRACTICES

Adopted by the Board of Directors
of BNK Petroleum Inc. on April 24, 2009

TABLE OF CONTENTS

CORPORATE DISCLOSURE POLICY..... 1

POLICY ON TRADING IN SECURITIES BY DIRECTORS, OFFICERS, EMPLOYEES AND
CONSULTANTS..... 9

BOARD OF DIRECTORS TERMS OF REFERENCE..... 14

CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE 18

COMPENSATION COMMITTEE TERMS OF REFERENCE 21

POSITION DESCRIPTION FOR CHIEF EXECUTIVE OFFICER 24

25-5-2012

Designated Spokespersons

The CEO shall be responsible for communication with the media, investors and analysts. The CEO shall be the official spokesperson for the Corporation. The CEO may, from time to time, designate others within the Corporation to speak on behalf of the Corporation in his place, or to respond to specific inquiries from the investment community or the media. The CEO may consult with the Corporation's legal counsel, or such other experts or consultants as he considers necessary in connection with this Policy.

Persons who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community or the media, and are prohibited from otherwise publicly communicating information about the Corporation unless specifically asked to do so by an authorized spokesperson. All such inquiries shall be referred to the CEO.

Although the CEO is responsible for communication with the media, investors and analysts on behalf of the Corporation, the Committee members will review all written and oral public disclosure of the Corporation prior to its release and, in addition, the Board and/or certain of the committees of the Board will review certain public disclosure of the Corporation prior to its release. Therefore, prior to the release of any such information, the CEO shall ensure that the Committee and, as applicable, the Board and/or the appropriate committee of the Board has reviewed and approved of such information being released.

Responsibility for Electronic Communications

The Committee shall be responsible for electronic communications. The Committee is responsible for monitoring all material information placed on the Corporation's website to ensure that it is not misleading. Material information is misleading if it is incomplete, incorrect or omits a fact so as to make another statement misleading. Information may also be misleading if it is out of date. Any changes in material information posted on the Corporation's website must be updated promptly.

The Corporation's website should include all publicly disclosed material information and such other investor relations information as may be determined appropriate by the Committee; provided that no document relating to an offering of securities shall be posted on such website without first consulting the Corporation's legal counsel. Information should be posted to the Corporation's website as soon as possible following its dissemination. All data posted to the website, including text and audio-visual material, shall show the date that such material was posted.

Disclosure on the website alone does not constitute adequate disclosure of material information. Therefore, any disclosure of material information on the website will be preceded by a widely disseminated news release and, if appropriate, a securities regulatory filing.

The CEO shall be responsible for responses to electronic inquiries from the investment community, security holders or the media. Only public information or information which could otherwise be disclosed in accordance with this Policy shall be utilized in responding to electronic inquiries.

Directors, officers, employees and consultants are prohibited from participating in internet chat room or news group discussions on matters pertaining to the Corporation's activities or its securities.

25 - 5 - Material Information

For the purposes of this Policy, "material information" means any information relating to the business and affairs of the Corporation that results in, or would reasonably be expected to result in, a significant change

in the market price or value of the Corporation's listed securities or affect a reasonable investor's investment decisions. Material information consists of both material facts and material changes relating to the Corporation's business and affairs and includes developments in the Corporation's business and affairs. Examples of some developments that may give rise to material information are as follows:

- a significant acquisition, disposition or merger;
- a new issue of securities or a significant change in capital structure;
- a significant change in financing arrangements;
- a significant change in expected earnings in the near future, such as in the next fiscal quarter;
- significant operational events or incidents;
- changes in share ownership that may affect control of the Corporation; or
- significant changes in the management or Board.

Announcements of an intention to proceed with a transaction or activity should not be made unless the Corporation has the ability to carry out the intent (although proceeding may be subject to contingencies) and a decision has been made to proceed with the transaction or activity by the Board or by the Corporation's senior management with the expectation of concurrence from the Board.

Principles of Disclosure of Material Information

In complying with the requirement under applicable laws and stock exchange rules to disclose material information forthwith upon the information becoming known to management or, in the case of information previously known, forthwith upon it becoming apparent that the information is material, the following basic disclosure rules will be observed:

1. The determination of whether information is considered as material information will be made by the Committee. Material information will be publicly disclosed immediately, unless it is determined by the Committee that such disclosure would be detrimental to the interests of the Corporation. Some examples of instances in which disclosure might be detrimental to the Corporation's interests are:
 - (a) release of the information would prejudice the ability of the Corporation to pursue specific or limited objectives or to complete a transaction or series of transactions that are under way;
 - (b) disclosure of the information would provide competitors with confidential information that would be of significant benefit to them; or
 - (c) disclosure of information regarding the status of ongoing negotiations would prejudice the successful completion of those negotiations.

25-5-2012

If it is determined that the disclosure of material information will be delayed because such disclosure would be detrimental to the interests of the Corporation, complete confidentiality of the material information must be maintained. See "Maintaining Confidentiality" below.

2. Announcements of material information should be factual and balanced. Unfavourable material information must be disclosed as promptly and completely as favourable material information.
3. Disclosure must include all relevant information to ensure that no aspect of the disclosure is misleading.
4. Previously undisclosed material information must not be disclosed selectively. If such information has been inadvertently disclosed to an analyst or any other person, it must be generally disclosed promptly by news release.
5. Disclosure must be updated or corrected if earlier disclosure has become misleading as a result of intervening events or if it contained a material error or misrepresentation.

Insider Trading:

Securities laws prohibit insider trading and tipping. Insider trading occurs when a director, officer, employee or consultant of the Corporation or other person in a special relationship with the Corporation trades in securities of the Corporation or other affected securities while possessing material, non-public information. Tipping is when a director, officer, employee or consultant of the Corporation or other person in a special relationship with the Corporation passes on material, non-public information ("tips") to someone else, who then uses the information to trade in securities.

It is a policy of the Corporation that, in the event that the Corporation enters into a transaction with another entity, the directors and officers of the Corporation shall disclose their aggregate ownership interest in such other entity.

Refer to the Policy on Trading in Securities by Directors, Officers, Employees and Consultants for further information on trading restrictions, trading windows and blackout periods.

News Releases

Once the Committee determines that material information exists, it will authorize the issuance of a news release, unless such material information must remain confidential for a certain time. See "Maintaining Confidentiality" below. Should non-public material information inadvertently be disclosed in a selective forum, a news release will be issued promptly in order to fully publicly disclose that information.

News releases will be disseminated through a news wire service that provides national simultaneous disclosure. News releases will be transmitted to all stock exchange members, relevant regulatory bodies, major national financial media and local media in areas where headquarters of the Corporation are located.

The Corporation is required to comply with the requirements of the Toronto Stock Exchange (the "Exchange"). Regardless of when an announcement involving material information is released, the market surveillance department ("market surveillance") of the Exchange must be advised of the content of the release and supplied with a copy in advance of its release. If the Exchange is open for trading at the time of a proposed announcement, prior notice by telephone will be provided to the market surveillance department of the Exchange, advising of the content of the news release and of the proposed method of dissemination, with a copy of the release to follow electronically or by fax. If the announcement is issued outside of normal trading hours, market surveillance will be notified where practicable before the market opens on the next trading day, with a copy of the release to follow electronically or by fax.

25 - 5 -

News releases will be posted on the Corporation's website after confirmation of dissemination of such news release over the news wire. The website will include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosure.

Rumours

The Corporation adopts a "no comment" policy with respect to market rumours and, in that regard, authorized spokespersons for the Corporation shall respond to market rumours with a statement to the effect that "It is our policy not to comment on market rumours or speculation." The Corporation will not respond to rumours on the internet. Should the Exchange request a definitive statement be issued in response to a market rumour that is causing volatility in the market value of the securities of the Corporation, the Committee will consider the matter and decide on an appropriate response.

Forward-Looking Information

Forward-looking information means all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes future oriented financial information with respect to prospective results of operations, financial position or cash flows that is presented as either a forecast or a projection. The Corporation may, if the Committee determines it to be advisable, provide guidance and forward-looking information with respect to the Corporation's production, revenue, earnings, EBITDA (earnings before income taxes, interest, depreciation and amortization plus other applicable items), cash flow, expenses and other financial information as well as significant developments and future plans to enable the investment community to better evaluate the Corporation and its prospects.

Forward-looking information provided in a disclosure document must contain, proximate to that information: (a) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and (b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information. In the case of a public oral forward-looking statement, the person making such statement shall: (a) make a cautionary statement that the oral statement contains forward-looking information; and (b) state that (i) actual results could differ materially from a conclusion, forecast or projection in the forward-looking information, (ii) certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information; and (iii) additional information about the material factors that could cause actual results to differ materially from the conclusion, forecast or projection as reflected in the forward-looking information and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information is contained in a readily available document that is identified.

Contacts with Analysts, Investors and the Media

The Corporation recognizes that analysts are important for disseminating corporate information to the investing public and play a key role in interpreting and clarifying existing public data, as well as providing investors with background information and details that cannot practically be put in public documents. Authorized representatives of the Corporation will meet with analysts and investors on an individual or small group basis as needed, and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Policy. The Corporation will provide only non-material information or publicly disclosed information to such analysts or investors and

25 - 5 - 3013

will provide the same information that has been provided to analysts to individual investors who request it.

It is recognized that disclosure of non-public material information to analysts, investors or the media does not constitute adequate disclosure for the purposes of applicable securities laws. If material information is to be announced at an analyst or shareholder meeting, press conference or conference call, its announcement must be preceded by a widely disseminated public announcement of such information via news release.

Reviewing Analyst's Draft Reports and Models

It is the Corporation's policy to review, upon request, analysts' draft research reports or models. If requested, the Corporation will review the report or model for the purpose of identifying publicly disclosed factual information that may affect the report or model or pointing out inaccuracies or omissions with reference to publicly available information about the Corporation. The Corporation will not confirm, provide guidance or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's model and earnings estimates, including but not limited to, by confirming the analyst's estimate is "on target", "too high" or "too low".

Analyst reports are proprietary information belonging to the analyst's firm which will not be posted on or linked to the Corporation's website. A list of analysts covering the Corporation, and their contact numbers, may be posted on the Corporation's website and provided to anyone requesting such information.

Conference Calls

Conference calls may be held with members of the investment community to discuss financial and operating results or other significant developments following the widespread dissemination of the news release announcing such results or developments. The date and time of the call, the subject matter of the call and the means for accessing it shall be included in a news release (such news release to be disseminated in advance of the news release announcing the financial and operating results to be discussed) and may be announced on the Corporation's website. Conference calls shall be held in an open manner allowing members of the investment community and any other interested party to listen either by telephone and/or through a webcast. During the call, a spokesperson of the Corporation will provide appropriate cautionary language regarding any forward-looking information and direct participants to publicly available documents containing the assumptions, risks and uncertainties. A tape recording of the conference call will be made available for a period of one month following the call on either a toll-free number or an archived audio webcast on the internet.

Conference calls relating to the business developments of the Corporation and other material information likely to affect the Corporation's share price should, where possible, be scheduled outside trading hours, to avoid or minimize the risk of selective disclosure. To the extent it is determined reasonable by the Committee, non-material supplemental information will be posted on the website.

Retention Period for Disclosure Material

A file will be maintained containing all continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls and where practicable, other public oral statements, debriefing notes and newspaper articles.

25 - 5

The minimum retention period for material corporate information posted on the website shall be one year. However, news releases, quarterly and annual reports and other material filed with securities commissions and stock exchanges shall be kept for a period of five years.

Maintaining Confidentiality

At any time when material information has not been disclosed, the Corporation is under a duty to take precautions to keep such information confidential. Efforts will be made to limit access to such confidential information to only those who need to know the information to perform their duties, and such persons will be advised that the information is to be kept confidential.

Material information should not be disclosed by directors, officers, employees or consultants to outside parties except in the necessary course of business. Outside parties privy to undisclosed material information concerning the Corporation will be told they must not divulge such information to anyone else, other than in the necessary course of business; and that they may not trade in securities of the Corporation until the information has been generally disclosed. The Corporation may, if deemed appropriate, require such outside parties to enter into a confidentiality agreement.

In order to prevent the misuse or inadvertent disclosure of material information, the procedures set forth below should be observed at all times:

1. Confidential matters should not be discussed in places where the discussion may be overheard.
2. Confidential documents should not be read in public places and should not be discarded where others can retrieve them.
3. Transmission of documents by electronic means should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
4. Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
5. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who "need to know" in the necessary course of business. Code names should be used if necessary.
6. All proprietary information, including computer programs and other records, remain the property of the Corporation and may not be removed, disclosed, copied or otherwise used except in the normal course of employment or with prior permission.

Communication and Enforcement

All directors, officers, employees and consultants of the Corporation will be advised of this Policy and its importance. This Policy will be brought to the attention of all employees and consultants on an annual basis.

25 - 5 - 2012

An employee or consultant who violates this Policy may face disciplinary action up to and including termination of employment or the consulting contract, as the case may be, with the Corporation.

Violation of this Policy may also cause violation of certain securities laws. If it is discovered that securities laws have been violated, this matter may be referred to the appropriate regulatory authorities.

Approval

This Policy has been approved by the Board.

25 - 5 - 2012

POLICY ON TRADING IN SECURITIES BY DIRECTORS, OFFICERS, EMPLOYEES AND CONSULTANTS

The purpose of this Policy on Trading in Securities by Directors, Officers, Employees and Consultants (the "Policy") is to ensure (a) compliance with applicable securities laws governing trading in securities of BNK Petroleum Inc. (the "Corporation") while in possession of material non-public information concerning the Corporation, and tipping or disclosing material non-public information to outsiders; and (b) avoidance of embarrassment by preventing the appearance of improper trading or tipping.

In conjunction with regulatory requirements, it is the policy of the Corporation that, once a person becomes an insider, his or her security holdings in the Corporation, and any change therein, must be reported to the appropriate securities commissions. The responsibility for compliance with insider reporting obligations rests with the insiders and not with the Corporation. However, the Corporation has an interest in monitoring the holdings of its insiders and ensuring that insider holdings are accurately reported, as the identity of insiders and the size of their holdings may be relevant in determining whether the Corporation is permitted, under applicable securities laws and stock exchange rules, to undertake certain corporate transactions.

Scope

1. This Policy covers all directors, officers, employees and consultants of the Corporation, except the sections entitled "Insiders" and "Reporting by Insiders" which apply only to insiders of the Corporation. Directors, officers, employees and consultants are responsible for ensuring compliance by their families and other members of their households.
2. This Policy applies to any transactions in any securities of the Corporation, including options, warrants, preferred shares and debentures, as well as exchange-traded options or other derivative securities that are not issued by the Corporation but are based on securities of the Corporation.
3. This Policy applies not only to the securities of the Corporation which a director, officer, employee or consultant owns, but also those over which control or direction is exercised (for example as a trustee or executor of an estate) and also to the securities of the Corporation that are indirectly owned (for example by a corporation controlled by a director, officer, employee or consultant).
4. These procedures may be changed or other procedures adopted in the future as considered appropriate in order to carry out the purposes of this Policy.

Insiders

The directors and officers of the Corporation are considered to be insiders of the Corporation and as such are subject to a higher standard of scrutiny and disclosure requirements than other people who may trade in securities of the Corporation. Insiders should contact the Chairman of the Board (the "Chairman"), the Chief Executive Officer (the "CEO") or the Chief Financial Officer when considering a transaction in securities of the Corporation to ensure that there is no material non-public information which has not been widely disseminated.

25 - 5 - 2012

Reporting by Insiders

Initial Reports

An initial report must be filed within ten days of the date on which a person or corporation becomes an insider. An initial report is not required, however, when a person becomes an insider if he or she has no direct or indirect beneficial ownership, control or direction over securities of the Corporation.

Changes in Beneficial Ownership

A person or corporation who is an insider must report any changes in his or her direct or indirect beneficial ownership of, or control over, securities of the Corporation within ten days of the date such change takes place.

Stock Options, Warrants and Performance Shares

Insiders are reminded that the grant of an option, or the exercise of an option, warrant or performance share gives rise to reporting obligations and an insider report must be filed with respect to these matters within ten days of the date such transaction takes place.

Filing

Insiders of the Corporation are required to use the System for Electronic Disclosure by Insiders ("SEDI") for reporting insider trades. Reporting through SEDI can be completed by insiders themselves through the internet or through an agent, such as the Corporation's legal counsel, Macleod Dixon LLP. Insiders are referred to the internet website for SEDI at www.sedi.ca. As well, insiders are encouraged to contact the Corporation's legal counsel, Macleod Dixon LLP, with respect to any questions about filing through the SEDI system.

Definition of "Material Non-Public Information"

Material Information

For the purposes of this Policy, "material information" means any information relating to the business and affairs of the Corporation that results in, or would reasonably be expected to result in, a significant change in the market price or value of the Corporation's listed securities or affect a reasonable investor's investment decisions. Material information consists of both material facts and material changes relating to the Corporation's business and affairs and includes developments in the Corporation's business and affairs. Examples of some developments that may give rise to material information are as follows:

- a significant acquisition, disposition or merger;
- a new issue of securities or a significant change in capital structure;
- a significant change in financing arrangements;
- a significant change in expected earnings in the near future, such as in the next fiscal quarter;
- significant operational events or incidents;
- changes in share ownership that may affect control of the Corporation; or

25-5-2012

- significant changes in the management or Board of Directors (the "Board") of the Corporation.

Non-public Information

Material information is "non-public" if it has not been widely disseminated to the public through a major newswire service. For the purposes of this Policy, information will be considered public; i.e., no longer non-public, after the close of trading on the [first] full trading day following public release of the information.

If you are unsure whether the information that you possess is material or non-public, please consult the Chairman, the CEO or the Chief Financial Officer of the Corporation before trading in any securities of the Corporation.

Statement of Corporate Policies and Procedures

Prohibited Activities

- No insider, employee or consultant may trade in securities of the Corporation while in possession of material non-public information concerning the Corporation.
- No insider, employee or consultant may trade in securities of the Corporation outside of the "trading windows" described below, or during any "blackout periods".
- No insider, employee or consultant may disclose material non-public information concerning the Corporation to any outside person (including family members, analysts, individual investors and members of the investment community and news media) unless necessary in the course of business. In any instance where such information is disclosed to outsiders, the outsider should be advised that they must not disclose the information to anyone else, other than in the necessary course of business, and they may not trade in securities of the Corporation until the information has been generally disclosed.
- No insider, employee or consultant may give trading advice of any kind about the Corporation to anyone while possessing material non-public information about the Corporation, except that insiders, employees and consultants should advise others not to trade if doing so might violate the law or this Policy.
- No insider, employee or consultant may (a) trade in securities of any other public company while possessing material non-public information concerning that company; (b) "tip" or disclose material non-public information concerning any other public company to anyone; or (c) give trading advice of any kind to anyone concerning any other public company while possessing material non-public information about that company that such insider, employee or consultant learned in the course of their service to the Corporation.
- In order to avoid possible inadvertent conflict with this Policy, it is recommended that, outside of any stock option or employee share ownership plans, no insider, employee or consultant leave with a broker any outstanding sell or purchase orders.

25 - 5 - 2012

Definition of "Blackout Period" and "Trading Window"

A "blackout period" is any time where an insider, employee or consultant is restricted by the terms of this Policy or applicable securities law from trading in securities of the Corporation. Alternatively, a "trading

window" is the period of time between blackout periods where an insider, employee or consultant is not restricted by the terms of this Policy or applicable securities law from trading in securities of the Corporation.

Designation of Blackout Periods

The Corporation will use reasonable efforts to notify insiders, employees and consultants by e-mail when a general blackout period is in effect. However, it is the obligation of every insider, employee and consultant to ensure, prior to affecting a trade, that a blackout period is not in effect or such person is not otherwise restricted from trading in securities of the Corporation. In the event that an insider, employee or consultant is unsure whether they may trade in securities of the Corporation, they should contact the Chairman, the CEO or the Chief Financial Officer of the Corporation to determine if a general blackout period is in effect or if the insider, employee or consultant is in possession of material undisclosed information.

Trading Windows

Insiders, employees and consultants may trade in securities of the Corporation only during the period in which there is no blackout period.

No Trading During Trading Windows While in Possession of Material Non-public Information

No insider, employee or consultant possessing material non-public information concerning the Corporation may trade in securities of the Corporation even during applicable trading windows. Persons possessing such information may trade during a trading window only after the widespread dissemination of the news release in respect of such information.

No Trading During Blackout Periods

No insider, employee or consultant may trade in securities of the Corporation outside of applicable trading windows or during any designated special blackout periods. No insider, employee or consultant may disclose to any outside third party that a special blackout period has been designated.

Priority of Statutory or Regulatory Trading Restrictions

The trading prohibitions and restrictions set forth in this Policy are in addition to, and will be superseded by any greater prohibition or restrictions prescribed by applicable securities laws and regulations and stock exchange rules and policies.

Compliance Officer

The Chairman, CEO or Chief Financial Officer shall be responsible for responding to questions from directors, officers, employees and consultants and assisting such persons in complying with the terms of this Policy and applicable securities laws.

Enforcement:

25 - 5 - Penalties Under Securities Laws

The consequences of prohibited insider trading or tipping can be severe. Generally, under securities laws, persons violating insider trading or tipping rules may be required to disgorge the profit made or the loss

avoided by trading, pay the loss suffered by the persons who purchased securities from or sold securities to the insider tippee, pay fines up to the greater of \$1,000,000 and three times the profit made or loss avoided, pay administrative penalties of up to \$500,000 and serve a jail term of up to five years less a day. The Corporation may also be required to pay penalties and could, under certain circumstances, be subject to private lawsuits by traders for damages suffered as a result of illegal insider trading or tipping by persons under the Corporation's control.

Discipline

Violation of this Policy or insider or tipping laws by any insider or employee may subject such person to disciplinary action up to and including termination for cause.

If it is discovered that anyone subject to these policies has violated securities laws, the matter may be referred to the appropriate regulatory authorities.

Approval

This Policy has been approved by the Board.

25 - 5 - 2012

BOARD OF DIRECTORS TERMS OF REFERENCE

The Board of Directors (the "Board") of BNK Petroleum Inc. (the "Corporation") shall have the oversight responsibility, authority and specific duties as described below.

Composition

Directors and Chairman of the Board

The Board shall appoint a Chairman of the Board (the "Chairman") and, if the Chairman is not independent, an independent lead director (the "Lead Director") from amongst the directors which comprise the Board shall be appointed as soon as practicable.

To ensure efficient, independent functioning of the Board, the Chairman or, if a Lead Director has been appointed, the Lead Director shall be the effective leader of the Board. As such, the Chairman or the Lead Director, as applicable, is responsible for ensuring that the Board's agenda enables the Board to successfully carry out its duties. The Chairman shall act as chair of all meetings of the Board and shareholders of the Corporation.

Committees

In addition to any other committees (including special committees) which the Board may in its discretion constitute from time to time, the Board shall have the following standing committees:

- Audit Committee;
- Corporate Governance Committee;
- Compensation Committee; and
- Disclosure Committee.

Certain of the responsibilities of the Board may be delegated to these or other committees of the Board. The composition and responsibilities of these standing committees and any other standing committees of the Board will be as set forth in their terms of reference, as amended from time to time, and approved by the Board. Until such time as when a Nominating, Environment, Health and Safety or Reserves Committee is established, the Board shall be responsible for all such matters as provided in each committee's terms of reference.

Committee members shall be appointed by the Board. The chair of each committee may be designated by the Board or, failing that, by the members of the particular committee. At each meeting of the Board, the chair of each committee (or such committee member as the chair may designate) shall report the results of meetings and any associated recommendations.

Communication

To ensure that the Corporation has in place policies and programs that enable the Corporation to communicate effectively and in a timely manner with its shareholders, other stakeholders, analysts and the public generally the Board has adopted a Corporate Disclosure Policy. The Board will review the Corporate Disclosure Policy annually to ensure its objectives are being achieved and that the Disclosure Committee is effectively implementing such policy.

Meetings and Record Keeping

Meetings of the Board shall be conducted as follows:

1. the Board shall meet regularly and at least quarterly at such times and at such locations as the Chairman, in consultation with the Lead Director (if one), shall determine;
2. notice of meetings shall be given to each director not less than 48 hours before the time of the meeting (unless such notice period is waived). Meetings of the Board may be held without formal notice if all of the directors are present and do not object to notice not having been given, or if those absent waive notice in any manner before or after the meeting. The notice of the meeting may be delivered personally, given by mail, facsimile or other electronic means of communication;
3. each member of the Board is expected to attend Board meetings and meetings of committees on which he or she is a member and to be familiar with deliberations and decisions as soon as possible after any missed meetings. Members of the Board are expected to prepare for meetings by reviewing the meeting materials distributed to members of the Board, to the extent feasible, prior to such meetings;
4. the independent directors of the Board shall regularly hold in camera sessions of the Board, with only independent directors present and at such times as the independent directors, Chairman or Lead Director (if one) determine advisable;
5. a quorum for meetings shall be a majority of the members of the Board, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other;
6. if the Chairman is not present at any meeting of the Board, the Lead Director (if one) shall preside as chair of the meeting. If the Chairman and the Lead Director (if one) are both not present at any meeting, one of the other directors who is present at the meeting shall be chosen by the Board to preside at the meeting;
7. the Chairman shall, in consultation with the Lead Director (if one) and management, establish the agenda for the meetings and instruct management to circulate appropriate agenda materials to the Board with sufficient time for study prior to the meeting;
8. every question at a Board meeting shall be decided by a majority of the votes cast;
9. Management shall receive notice of meetings and may attend meetings of the Board at the invitation of the Chairman or Lead Director (if one);
10. the Corporate Secretary of the Corporation, or any other person selected by the Board, shall act as secretary for the purpose of recording the minutes of each meeting.

The minutes of the meeting of the Board shall be placed in the Corporation's minute book.

25 - 5 - Responsibilities and Specific Duties

In accordance with applicable laws, the Board is required to always act honestly and in good faith with a view to the best interests of the Corporation.

The Board is responsible for the stewardship of the Corporation and overseeing the operation of the business of the Corporation. The primary responsibilities of the Board include:

1. to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer (the "CEO") and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation;
2. adopting a strategic planning process and approving, at least on an annual basis, a strategic plan for the Corporation which takes into account, among other things, the opportunities and risks of the business;
3. identifying the principal risks of the Corporation's business, and ensuring appropriate systems are implemented to manage these risks;
4. providing continuing education opportunities for all directors so they may maintain or enhance their skills and abilities as directors, as well as ensure their knowledge and understanding of the Corporation's business remains current;
5. adopting a succession plan which includes the appointing, training and monitoring of senior management;
6. adopting and reviewing on an annual basis the Corporation's Corporate Disclosure Policy to ensure that disclosure made by the Corporation is accurate, informative, timely and broadly disseminated all in accordance with applicable laws and stock exchange rules;
7. ensuring that the Corporation has appropriate processes in place to effectively communicate with its employees, government authorities, other stakeholders and the public;
8. ensuring the necessary internal controls and management systems are in place that effectively monitor the Corporation's operations and ensure compliance with applicable laws, regulations and policies, including reviewing on an annual basis the controls and procedures established for the certification of financial and other disclosure made by the Corporation;
9. developing clear position descriptions for the Chairman, the Lead Director (if one), the chairs of each committee and, in consultation with the CEO, the CEO;
10. developing or approving the corporate goals and objectives that the CEO is responsible for meeting;
11. monitoring compliance with the Code of Business Conduct;
12. the establishment of an appropriate system of corporate governance principles and guidelines applicable to the Corporation, including:
 - (a) reviewing periodically the size of the Board to ensure its continued effectiveness (including, without limitation, facilitating effective decision-making);
 - (b) regularly assessing the effectiveness and contribution of the Board, its committees and each member of the Board considering, among other things, the applicable terms of reference for the Board and each committee and in the case of each member of the Board, the competencies and skills each member is expected to bring to the Board; and

25 - 5 - 2010

- (c) reviewing periodically the general responsibilities and function of the Board and its committees and the chair of each committee, and the roles of the Chairman, Lead Director (if one) and the CEO; and
- 13. reviewing the annual corporate governance disclosure of the Corporation in its information circular.

Stakeholder Communication

Any stakeholder may contact the Board. Matters relating to the Corporation's accounting, internal accounting control or audit matters will be referred to the Audit Committee. Other matters will be referred to the Chairman or the Lead Director (if one). Stakeholders may also directly contact the Chairman or the Lead Director (if one).

Review of Terms of Reference

The Board shall review and assess these Terms of Reference and any governance principles and guidelines established by the Board at least annually.

25 - 5 - 2012

CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE

The Governance Committee (the "Committee") of the Board of Directors (the "Board") of BNK Petroleum Inc. (the "Corporation") shall have the oversight responsibility, authority and specific duties as described below.

Composition

The Committee will be comprised of three or more directors as determined by the Board. Each Committee member shall satisfy the independence and experience requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.

Members of the Committee shall be appointed by the Board. The Nominating Committee (if one) of the Board, if formally established, shall recommend to the full Board eligible directors to fill vacancies on the Committee. Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than three directors.

The chair (the "Chair") of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership.

Communication, Expenses and Authority to Engage Advisors

The Committee shall have access to such officers and employees of the Corporation and to such information respecting the Corporation, as it considers necessary or advisable in order to perform its duties and responsibilities.

The Committee, through its Chair, may directly contact any employee in the Corporation as it deems necessary, and any employee may bring before the Committee, on a confidential basis, any matter involving the matters which the Committee's terms of reference may cover.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and advisors. Any engagement of independent counsel or other advisors is to be at the Corporation's expense.

The Corporation shall be responsible for all expenses of the Committee that are deemed necessary or appropriate by the Committee in carrying out its duties.

Meeting and Record Keeping

Meetings of the Committee shall be conducted as follows:

1. the Committee shall meet at least once annually at such time and at such location as the Chair shall determine. The meeting shall be scheduled to review the report on corporate governance required pursuant to applicable securities laws.
2. the Chair shall preside as chair at each Committee meeting and lead Committee discussion on meeting agenda items;

3. the quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other;
4. if the Chair is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting;
5. the Chair shall, in consultation with management, establish the agenda for the meetings and instruct management to circulate properly prepared agenda materials to the Committee with sufficient time for study prior to the meeting;
6. every question at a Committee meeting shall be decided by a majority of the votes cast; in the event of a tie vote on any matter, such matter shall be presented to the Board for its consideration and determination;
7. the Chief Executive Officer (the "CEO") and Chief Financial Officer shall be available to advise the Committee, shall receive notice of meetings and may attend meetings of the Committee at the invitation of the Chair. Other management representatives may be invited to attend as necessary; and
8. a Committee member, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.

The Committee shall provide the Board with a copy of the minutes of such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All material information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

Responsibilities

The Committee is part of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities with respect to the development and implementation of principles and systems for the management of corporate governance.

Specific Duties

The Committee shall:

1. assess and make recommendations as to the size, composition, operation and effectiveness of the Board;
2. annually review the performance of the Board of Directors, the committees of the Board and individual directors, and the relationship between the Board and management;
3. periodically review and make recommendations to the Board on:
 - (a) the terms of reference for the Board;
 - (b) the terms of reference of the committees of the Board, including the Committee; and
 - (c) the position descriptions for:

25 - 5 - 201

- (i) the CEO;
 - (ii) the Chairman of the Board;
 - (iii) the Lead Director (if one); and
 - (iv) the chair of committees of the Board
4. review and make recommendations with respect to continuing education for members of the Board and committees of the Board.
 5. regularly review the corporate governance practices of the Corporation, and, if appropriate, recommend changes to the Board.
 6. regularly review the Corporation's articles and bylaws and recommend any changes to the Board for consideration.
 7. review and recommend to the Board for approval the corporate governance disclosure statements required by applicable securities laws.
 8. review and make recommendations to the Board on any other matters related to the governance of the Corporation that the Committee considers appropriate.
 9. perform any other activities consistent with this mandate and, generally, governing laws as the Committee or the Board deems necessary or appropriate.

Review of Terms of Reference

The Committee shall review and reassess the adequacy of these Terms of Reference at least annually, and otherwise as it deems appropriate and recommend changes to the Board. Such review shall include the evaluation of the performance of the Committee against criteria defined in the Committee and Board terms of reference.

25 - 5 - 2012

COMPENSATION COMMITTEE TERMS OF REFERENCE

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of BNK Petroleum Inc. (the "Corporation") shall have the oversight responsibility, authority and specific duties as described below.

Composition

The Committee will be comprised of three or more directors as determined by the Board. Each Committee member shall satisfy the independence and experience requirements, if any, of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.

Members of the Committee shall be appointed by the Board. The Nominating Committee (if one) of the Board shall recommend to the full Board eligible directors to fill vacancies on the Committee. Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than three directors.

The chair (the "Chair") of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership.

Communication, Expenses and Authority to Engage Advisors

The Committee shall have access to such officers and employees of the Corporation and to such information respecting the Corporation, as it considers necessary or advisable in order to perform its duties and responsibilities.

The Committee, through its Chair, may directly contact any employee in the Corporation as it deems necessary, and any employee may bring before the Committee, on a confidential basis, any matter involving the matters which the Committee's terms of reference may cover.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and advisors. Any engagement of independent counsel or other advisors is to be at the Corporation's expense.

The Corporation shall be responsible for all expenses of the Committee that are deemed necessary or appropriate by the Committee in carrying out its duties.

Meetings and Record Keeping

Meetings of the Committee shall be conducted as follows:

1. the Committee shall meet at least annually at such time and at such location as the Chair shall determine. The meeting shall be scheduled following preparation of the annual financial statements and reserves evaluation for the purpose of determining bonuses, if any, in respect of the immediately preceding financial year;
2. the Chair shall preside as chair at each Committee meeting and lead Committee discussion on meeting agenda items;

3. the quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other;
4. if the Chair is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting;
5. the Chair shall, in consultation with management, establish the agenda for the meetings and instruct management to circulate properly prepared agenda materials to the Committee with sufficient time for study prior to the meeting;
6. every question at a Committee meeting shall be decided by a majority of the votes cast; in the event of a tie vote on any matter, such matter shall be presented to the Board for its consideration and determination;
7. the Chief Executive Officer (the "CEO") and Chief Financial Officer shall be available to advise the Committee, shall receive notice of all meetings of the Committee and may attend meetings at the invitation of the Chair. Other management representatives may be invited to attend as necessary; and
8. a Committee member, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.

The Committee shall provide the Board with a copy of the minutes of such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All material information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

Responsibilities

The Committee is part of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities with respect to human resources policies and executive compensation matters. In addition, the Committee shall review the compensation of directors and the overall compensation policies of the Corporation.

Specific Duties

The Committee shall:

1. review and recommend for approval by the Board, the Corporation's key human resources policies;
2. review and recommend for approval by the Board, the executive compensation philosophy and remuneration policy for the Corporation;
3. review and approve the corporate goals and objectives relevant to the compensation of the CEO;

25 - 5 - 2012

4. evaluate the CEO's performance in light of the previously established corporate goals and objectives; and
5. recommend to the Board the CEO's compensation package based on its evaluation of the CEO's performance;
6. review annually and recommend to the Board the annual compensation package and performance objectives of the other senior officers;
7. review the grants of options to purchase shares of the Corporation, at the request of the Board;
8. review and recommend to the Board any significant changes to the overall compensation program of the Corporation;
9. review the adequacy and form of the compensation of directors periodically to determine if the compensation realistically reflects the responsibilities and risks involved in being an effective director, and to report and make recommendations to the Board accordingly;
10. review executive compensation disclosure of the Corporation prior to its public disclosure and report annually to the Corporation's shareholders on executive compensation; and
11. perform any other activities consistent with this mandate, the Corporation's by-laws and governing laws as the Committee or the Board deems necessary or appropriate.

Review of Terms of Reference

The Committee shall review and reassess the adequacy of these Terms of Reference at least annually, and otherwise as it deems appropriate, and recommend changes to the Board. Such review shall include the evaluation of the performance of the Committee against criteria defined in the Committee and Board terms of reference.

25 - 5 - 2012

POSITION DESCRIPTION FOR CHIEF EXECUTIVE OFFICER

Responsibilities

The Chief Executive Officer (the "CEO") is responsible for the management of the business of BNK Petroleum Inc. (the "Corporation") and works to achieve the corporate goals and objectives the Board of Directors (the "Board") of the Corporation approves from time to time. The legal obligation of the CEO is to act honestly and in good faith with a view to the best interests of the Corporation and, in doing so, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The CEO shall comply with all statutory requirements and shall act with a view to the best interests of the Corporation and with an aim of optimizing shareholder value.

Scope, Duties and Authority

The CEO's scope, duties and responsibilities include, but are not limited to, the following:

1. maintaining a high level of integrity and assisting in creating a culture of integrity throughout the Corporation;
2. working with the Board to determine the strategic direction of the Corporation;
3. leading and assisting the Board in developing short-term and long-term plans and objectives to achieve the strategies of the Corporation;
4. from time to time, determining with the Board, the budgets of the Corporation and the Board's expectations of the CEO;
5. undertaking the day-to-day management and operation of the Corporation and providing leadership designed to achieve the objectives of the Corporation;
6. steward the Corporation's expenditures within approved budgets;
7. developing senior management succession and development plans and reporting to the Board at least annually on such plans including recommending candidates for appointment as officers and senior management of the Corporation to the Board;
8. ensuring appropriate policies and procedures of the Corporation are developed, maintained and disclosed;
9. providing appropriate certifications regarding the Corporation and its activities, as may be required from time to time;
10. ensuring that procedures are in place for appropriate communication to all stakeholders regarding the Corporation's activities and objectives; and
11. complying with all stock exchange, regulatory and statutory requirement.

25-5-2012

BNK PETROLEUM INC.

CODE OF BUSINESS CONDUCT AND ETHICS

This code of business conduct and ethics (this "Code") has been adopted by BNK Petroleum Inc. (the "Company") in order to provide written standards and guidance to the Company's directors, officers, employees and consultants (collectively, the "Covered Persons") to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely, and understandable disclosure in the Company's continuous disclosure documents;
- Compliance with applicable governmental laws, rules and regulations;
- The prompt internal reporting of violations of the Code to an appropriate
- Compliance Officer (as defined below); and
- Accountability for adherence to the Code.

This Code is the sole code of business conduct and ethics adopted by the Company for the purposes of the Applicable Rules. Insofar as other policies or procedures of the Company purport to govern the behaviour or activities of Covered Persons, such policies and procedures are superseded by this Code to the extent they overlap or conflict with the provisions of this Code. In addition, such policies and procedures shall not be deemed in any way to define or broaden the obligations of Covered Persons under this Code. Nothing in this Code shall be deemed to modify in any way the employment relationship between the Company and any of its employees or to create any legal or contractual rights or guarantees. The Company reserves the right to amend, alter or terminate any provision of the Code at any time.

HONEST AND ETHICAL CONDUCT

The Company is committed to compliance with the highest ethical standards in pursuing its business interests, and expects Covered Persons to observe those standards. Some of the ethical standards to which the Company is committed, and for which all Covered Persons are individually accountable, are as follows:

- Conducting the Company's business in compliance with applicable laws, rules, and regulations.
- Avoiding situations where the personal interests of Covered Persons are, or appear to be, in conflict with the Company's interests.
- Responsibly using and protecting the Company's assets, including property, equipment, facilities, funds and information.

25-5-2012

Maintaining confidentiality of non-public information and not acting on such information for personal gain.

Some of these ethical standards are discussed in more detail below.

CONFIDENTIALITY

Covered Persons must maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is expressly authorized by a Compliance Officer or is legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed.

FAIR DEALING

Each Covered Person must endeavour to deal fairly with the Company's customers, suppliers, competitors and employees. No Covered Person should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

PROTECTION AND PROPER USE OF COMPANY ASSETS

All Covered Persons should protect the Company's assets and endeavour to ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes and not for personal use, other than incidental personal use, unless such use is either (i) part of a compensation or expense reimbursement program, or (ii) approved by a Compliance Officer.

COMPLIANCE WITH LAWS

Compliance with applicable laws is a critical element of the Company's ethical standards. The Company is subject to legal requirements that are numerous and complex. All Covered Persons should understand those laws that apply to them in the performance of their jobs and take steps to ensure that the Company's operations with which they are involved are conducted in conformity with those laws.

The Company has always required that all Covered Persons conduct the Company's business in accordance with all federal, provincial, state, and local laws. The failure of Covered Persons to strictly adhere to the letter and the spirit of the law could result in both personal and corporate criminal liability. Each Covered Person is personally responsible for complying with the law. In addition, each Covered Person is charged with the responsibility of reporting to a Compliance Officer any behaviour or conduct related to the Company's business or affairs that could reasonably constitute a criminal offense. If a Covered Person has any concern whatsoever that his or her conduct or the conduct of others may result in personal or criminal liability, the Covered Person should seek specific guidance and advice from a Compliance Officer.

Covered Persons are also reminded that other Company policies, including its insider trading policy, provide more specific guidance with respect to particular areas of law.

PUBLIC REPORTING

The Company's continuous disclosure documents must be full, fair, accurate, timely, and understandable. Depending on his or her position with the Company, a Covered Person may be called upon from time to time to provide information necessary to achieve this objective. The Company expects each Covered Person to take this responsibility very seriously and to provide full, fair, and accurate information upon request in a timely and understandable manner.

Each Covered Person may properly bring to the attention of the Compliance Officer any material information of which that Covered Person may become aware that affects the disclosure made by the Company in its public filings or otherwise, and to otherwise assist the Company in fulfilling its disclosure responsibilities. For the purposes of this Code, the term "material information" means information that an investor or potential investor could consider important in making a decision whether to trade securities of the Company.

In addition, each Covered Person may properly bring to the attention of a Compliance Officer any information that the Covered Person may have concerning a significant difference in the design, operation, or internal controls of a financial reporting transaction that could adversely affect the Company's ability to record, process, summarize, and report financial information. It is the responsibility of each Covered Person to inform management, direct or indirect, of the Covered Person, of any significant information that the Covered Person may have concerning a difference in design.

ENCOURAGING THE REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR

Violations of any applicable law or the provisions of any regulation or applicable particular statute, Company policy, general duties of Covered Persons, or behavior that is prohibited or otherwise prohibited personnel. Covered Persons may properly report possible violations of applicable laws and regulations under this Code. "Material" violations include: Compliance Officer, Potential Violations of applicable legal, regulatory, and internal controls, including those relating to corporate reporting and financial reporting and auditing control and procedures, securities law, and other matters relating to financial reporting and internal controls. These matters, if found to be a violation, should be made pursuant to the Company's Whistleblower Policy. Persons of Potential Violations may be submitted to the Compliance Officer, or to the employee's desires. The Company will not allow retaliation against any Covered Person who reports a violation in good faith.

COMPLIANCE AND ENFORCEMENT

The Compliance Officer will review and investigate all written reports of potential violations of the Code. All Covered Persons and other individuals who are given access to the Code and its amendments and other policies, procedures, and controls of the Company are expected to read and understand the Code and its amendments.

CONFIDENTIAL REPORTING

All reporting under this Code is confidential. All reporting will be kept confidential unless it is necessary to disclose information to the appropriate regulatory authorities.

If by Email:

Address:

Compliance Officer, C. [redacted]

Address:

Compliance Officer, C. [redacted]

Email Subject Line : "Private and Confidential - Pursuant to Code of Business Conduct of BNK Petroleum Inc. – To be opened only by Chair of Audit /Corporate Governance Committee"

If by Regular Mail:

Envelope to contain the following information:

"PRIVATE AND CONFIDENTIAL
BNK Petroleum Inc.
c/o DuMoulin Black LLP
10th Floor, 595 Howe Street
Vancouver, BC V6C 2T5

Attention: Chair of Audit Committee /
Chair of Corporate Governance Committee

To be opened by the designated recipient only, being submitted pursuant to the BNK Petroleum Inc. Code of Business Conduct."

The envelope will be forwarded unopened, to the applicable committee Chair.

The relevant Compliance Officer shall promptly inform the independent members of Board of receipt of any such correspondence. Promptly after receiving such a notification, the independent members of the Board shall evaluate such information as to gravity and credibility and:

- if necessary, initiate or instruct the Compliance Officer to initiate an informal inquiry or a formal investigation with respect thereto;
- if appropriate, prepare a written report of the results of such inquiry or investigation, and take any other appropriate action with respect to the disposition of the matter;
- if appropriate, make the results of such inquiry or investigation available to the public (including disciplinary action); and
- if appropriate, recommend changes to this Code that the Board deems necessary or desirable to prevent similar violations of this Code.

The Board shall enforce this Code through appropriate disciplinary actions. It shall determine whether violations of this Code have occurred and, if so, shall determine the disciplinary actions to be taken against any Covered Person who has violated the Code. The disciplinary actions available to the Board include counselling, oral or written reprimands, warnings, probations or suspensions (with or without pay), demotions, reductions in salary, terminations of employment and restitution.

For the avoidance of doubt, the jurisdiction of the Board shall include, in addition to the Covered Person that violated this Code, any other Covered Person involved in the wrongdoing such as (i) persons who fail to use reasonable care to detect or report a material violation and (ii) persons who withhold material information about a suspected violation of this Code when requested to divulge such information.

25-5-2012

The foregoing notwithstanding, reports of Potential Accounting Violations shall be resolved by the Audit Committee in accordance with the procedures specified in the Company's whistleblower policy.

Situations that may involve a violation of this Code may not always be clear. Covered Persons are encouraged to discuss questions or concerns about violations of laws, rules or regulations with a Compliance Officer.

AMENDMENT AND WAIVER

This Code may be amended or waived by the Board at its sole discretion. The Board will communicate the amended code to the Covered Persons immediately through the Compliance Officer(s).

25-5-2012

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**HEALTH, SAFETY AND
ENVIRONMENTAL**

MANAGEMENT SYSTEM



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 2 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

To All Stakeholders,

BNK Petroleum's (BNK) core business is exploring for, finding and producing oil and gas. It is important that we conduct all business activities in a safe, secure and compliant manner that protects people, the environment and reputation of our company.

In a global company such as ours, where tremendous value is placed on the management and integrity of operations, it is vital that appropriate systems are in place to manage and evaluate the Company's business activities and performance. There are inherent risks imbedded in our business that must be recognized and managed. We believe the best way to proactively prevent impacts and comply with required laws and regulatory obligations is through a capable, committed workforce who use processes designed to enable safe and environmentally responsible business activities.

This Health, Safety and Environmental Management System (HSE-MS) consists of 10 Elements and associated Expectations which provide a single set of processes, tools, and behavior expectations to identify hazards, measure risks and minimize or eliminate any potential impact to people, the environment or property. These tools will help consistently deliver excellent HSE performance and incident free operations every day. This HSE-MS is to be integrated into our daily activities and be used by everyone at all BNK locations around the world.

Excellence in HSE performance is a foundation for superior operating results. The successful management of protecting people, the environment, property and surrounding communities where we work is an ongoing process. It takes continual improvement and is united with our culture and reputation. BNK is committed to complying with applicable laws and regulations and providing a safe and secure workplace and where laws and regulations do not exist, we shall maintain our high standards through the use of this HSE-MS.

This responsibility starts with me and my management team but requires the involvement of everyone at all BNK locations. We accomplish this through a clearly defined and rigorously applied Health, Safety and Environmental Management System that is fully integrated into our global activities and constantly sought to be improved upon.

Success in our business activities is underpinned by effective HSE management alongside technical excellence, integrity and meeting stakeholder expectations.

President & CEO, BNK Petroleum Inc.



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 3 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEM

I. SCOPE

The BNK Petroleum (BNK) Health, Safety and Environmental Management System (HSE-MS) applies to all employees and contractors working for BNK worldwide. This HSE-MS contains 10 Elements that are supported by a set of specific expectations. The HSE-MS shall be reviewed with contractors and when applicable used to ensure that they have their own management system or are using and integrating this HSE-MS into their business.

II. PURPOSE

The purpose of this HSE-MS is to define a consistent process for BNK to manage and mitigate HSE risks while complying with applicable laws and human rights in all countries that BNK explores or operates. This HSE-MS sets the minimum requirements to be integrated seamlessly into business decisions and daily activities and shall apply to all BNK locations.

III. DESIGN AND IMPLEMENTATION

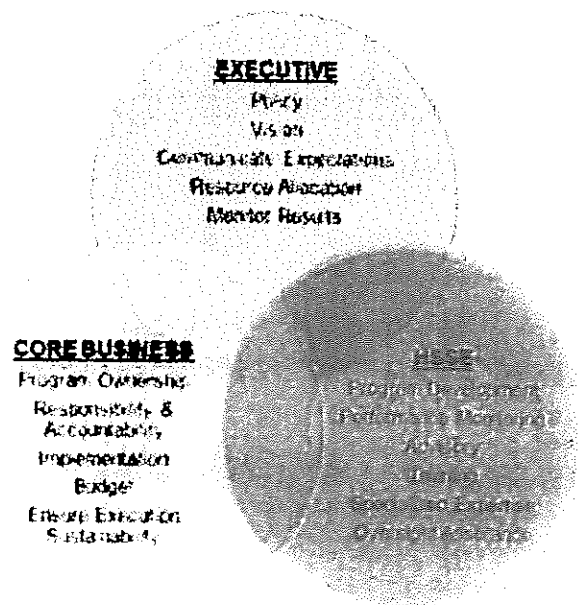
The BNK HSE-MS as illustrated in **Figure 1** (see attached) starts with the BNK Health, Safety and Environmental Policy, as illustrated in **Figure 2** (see attached). The values expressed in the Policy are implemented using a framework of 10 Elements and associated Expectations. Programs and procedures provide the details to implement the Elements and associated Expectations into site-specific work plans.

IV. RESPONSIBILITIES

The execution of this HSE-MS is a team effort. Everyone at BNK shares a responsibility for incident free operations and compliant activities every day. The largest single factor in consistently achieving the HSE-MS expectations is leadership driven by personal examples actions and behaviors.

Executives set the vision by actively and regularly demonstrating their commitment by communicating to employees and contractors their expectations of this HSE-MS. They should also approve policies and budgets that guide and support HSE.

BNK's core business, consisting of Exploration, Drilling & Completions, Construction, Production Operations and Business Development, is responsible for the HSE-MS ownership and implementation. Each department shall budget for the necessary resources and compliance activities to properly implement this HSE-MS.



We All Share Ownership & Responsibility



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 4 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

The HSE Department shall be responsible for assisting and advising all levels of management and departments on the implementation of this HSE-MS. They are also responsible for the development of HSE systems, programs and procedures and provide specialized expertise to assess safe work practices and compliance. The HSE Department is also responsible for coordinating training as required by this HSE-MS.

BNK shall seek legal and other expertise as needed to provide legal advice to company personnel or departments on applicable laws and regulations and for reviewing this management system and support documents.

It's BNK's duty to make sure that each employee and contractor is aware of their responsibility for understanding and complying with this HSE-MS and associated programs and procedures applicable to their activities. Each employee and contractor shall adhere to the following guidelines:

1. Seek guidance regarding any questions or concerns relating to this HSE-MS or the HSE expectations, programs or procedures adopted hereunder, and
2. Prevent or report any potential or actual hazard to human health or the environment, and
3. Prevent or report any violation of law, regulation or country requirement by contacting their supervisor or manager, HSE department or the Vice President in charge, and
4. Know your actions, think about your activity and what you're trying to accomplish, by defining your process steps and identifying risks or unsafe conditions and actions needed for a safe and successful outcome. Seek guidance regarding any questions or concerns.

V. BNK CULTURE

Our objective is to conduct safe, secure, compliant and efficient operations performed by our employees and contractors that do not create any lasting negative impact to people and the environment in which we operate. To achieve this objective, we must create a culture that values and believes in an incident-free workplace.

At BNK, working safely is a core value; it is a condition of employment that is part of our culture. Excellence in safety performance drives superior operating results. The successful management of protecting people, the environment, property and surrounding communities where we work starts with the involvement of everyone from the CEO to hourly workers by planning our projects, understanding daily tasks and maintaining a continual focus on safe behavior, hazard recognition, communication and mitigation.

BNK's beliefs drive behaviors, which drive results. BNK believes incident free operations at all its locations are attainable. Production targets, project deadlines and profits are never more important than the safety of each person and protection of the environment at a BNK location.

Each person working on a BNK location has the authority to stop unsafe work.

All personnel have the authority to stop work if there is any reason to believe that an unsafe condition exists



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 5 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

Any person on a BNK location who reports an HSE concern to their supervisor or any other responsible party shall not be disciplined or retaliated against for such report. Retaliation will be punished by disciplinary action up to, and including, dismissal from employment. Failure to report noncompliance when it is an individual's responsibility to monitor and report compliance may result in disciplinary action up to, and including, dismissal from employment. Positive reinforcement of excellent HSE performance shall be considered as a factor in employee evaluations. Employees should be aware that severe corporate and personal liabilities, both civil and criminal, exist for certain violations of HSE laws or regulations.

VI. HSE-MS ELEMENTS

A. OBJECTIVES

This document is organized around 10 Elements and supporting Expectations. This sets forth our minimum guidelines for HSE. The objectives of the HSE-MS are to:

- Increases visible leadership emphasizing a safe and secure work environment
- Provide a consistent and organized set of tools to drive a single set of processes and accountabilities to be implemented worldwide into business decisions throughout the E&P Lifecycle of all BNK assets from initial project Planning, Exploration, Production and Exit.
- Provide clear HSE Expectations organized under 10 Elements that serve as a systematic framework to execute the Corporate HSE Policy.
- Provide a consistent and organized approach to identify all potential hazards, associated risks and failure consequences resulting in repeatable outcomes. Risks from identified hazards are to be understood and controls and management systems put in place to mitigate any impacts to people, the environment or property.
- Provide a management system that will align with requirements in each country BNK does business and with other globally recognized oil and gas management systems used by our contractors and partners for consistent understanding, expectation and application. This MS should be used when developing requirements for contractors.

B. ELEMENTS

The 10 Elements support BNK Petroleum internal policies and applicable laws and regulations and provides a protocol for compliance and performance measurement from which to drive continual improvement. This HSE-MS will be used globally in all countries that may, or may not have specific oil and gas HSE regulations. The HSE Elements are:

HSE Element 1	Management and Employee Commitment
HSE Element 2	Health, Safety and Security
HSE Element 3	Compliance Assurance
HSE Element 4	Training and Communication
HSE Element 5	Risk and Change Management
HSE Element 6	Environmental Stewardship and Stakeholder Interaction



Health, Safety and Environmental Management System

PAGE Page 6 of 27	ISSUE DATE	
DOCUMENT NUMBER	REVISION DATE	REVISION NUMBER

- HSE Element 7 Incident Management and Emergency Response
- HSE Element 8 Project and Facility Management
- HSE Element 9 Contractor Selection and Expectations
- HSE Element 10 Assessments and Continual Improvement

VII. INTEGRATING HSE-MS ELEMENTS AND EXPECTATIONS INTO THE E&P LIFECYCLE

In an effort to ensure the efficient integration of the HSE-MS into core business, a one page organizational tool is available and is referred to as the E&P Lifecycle (see **Figure 3**). This is based upon the phases of E&P business. The applicable HSE-MS Expectations are to be integrated into all projects, critical activities and ongoing operations across the E&P Lifecycle to prevent and mitigate adverse HSE consequences. The E&P Lifecycle consists of:

Planning	Exploration		Production			E&P	
Acquisition New Area or Country Entry	Prospect Identification	Prospect Evaluation	Drilling	Development	Operations	Abandonment	Divestiture

The E&P Lifecycle tool is designed to assist management, a project manager, other personnel and the HSE professional to efficiently integrate HSE into our core business activities. This is achieved by using:

- Core Business Focus Items
- Triggers to Engage HSE
- HSE Focus Items
- HSE Deliverables

When a project is being defined in one of the four primary or eight secondary BNK E&P Lifecycle phases, then core business plans develop that will eventually trigger the need for HSE support. At that point, the individual responsible to deliver the project, such as a project manager, should engage the BNK HSE department to support the project activity. The BNK HSE representative will work with the project manager to identify which Expectations in the HSE-MS shall be used and developed into a deliverable to support the project or business activity scope of work. By using the BNK E&P Lifecycle, the project manager has an understanding when to engage HSE and knows what deliverables to expect. When the HSE deliverables are defined and built into an HSE Plan, they can be budgeted and placed into the project task and timeline with responsibilities identified.



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 7 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

VIII. FROM POLICY TO PROCEDURE

The intent of the HSE-MS is to continually improve safe and compliant business activities. Therefore, HSE integration assurance is necessary. This is a process with various steps and deliverables starting with the HSE Policy that is implemented through the Elements and Expectations that are relevant to a specific project. In order to accomplish this result, HSE would work with a project manager to review the scope of work and identify the applicable Expectations. This would be followed by the identification of potential hazards or risks that need to be assessed using a form of analysis to define consequences, and then develop a risk register and mitigation plan. The results would become a part of an HSE Plan for a specific project that provides an understanding of roles and responsibilities. This is illustrated in **Figure 4**.

IX. DOCUMENT APPROVAL PROCESS

The HSE-MS contains various programs, processes and procedure. These documents should be developed and reviewed by the intended user group stakeholder. HSE will facilitate the process. The document approval process is illustrated in **Figure 5**.



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

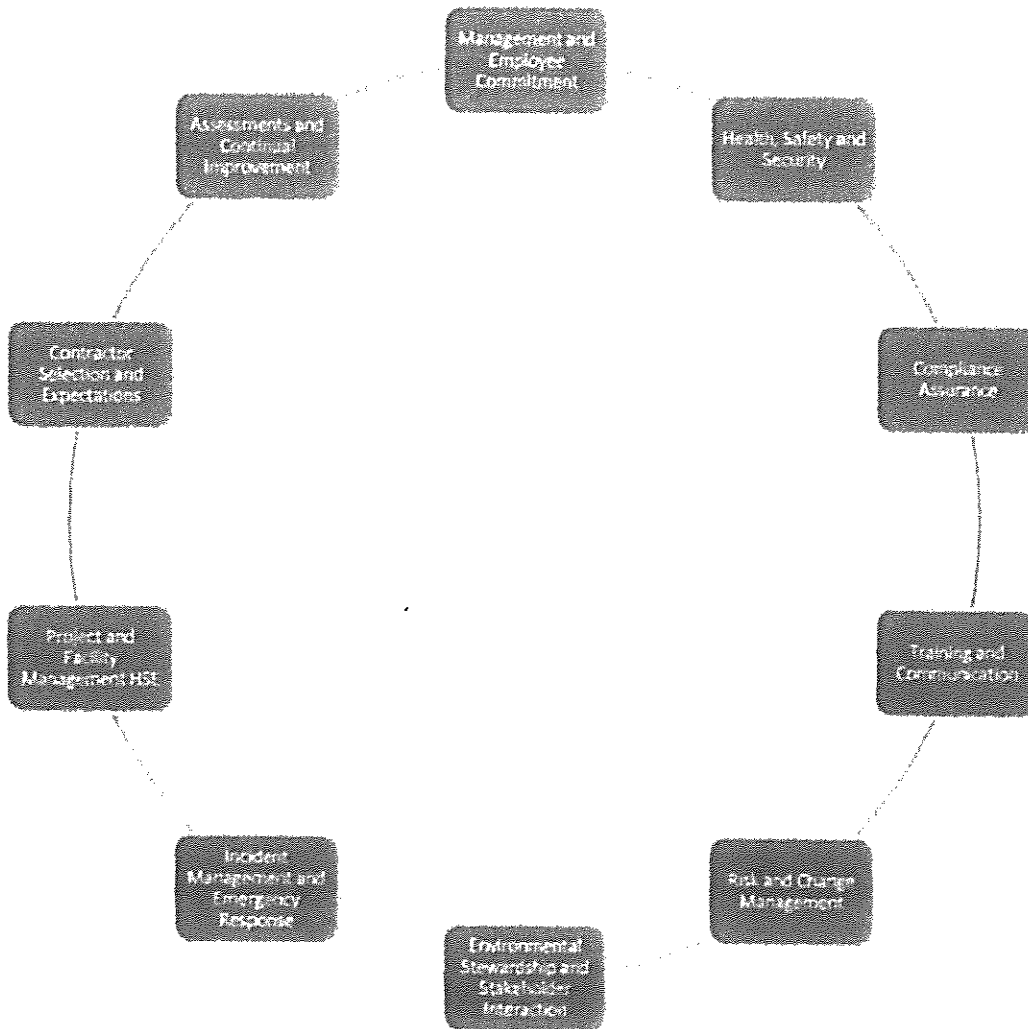
Page 8 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

HSE-MS Elements





Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 9 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

Element 1: Management and Employee Commitment

Objective: Management shall demonstrate visible and active leadership by promoting HSE as a core value in all of our operations and daily activities and manage it with the same priority as any other critical business function to continuously improve outcomes and performance.

Expectations

Program & Procedures

- 1.1 Commit to visually and actively managing HSE by addressing behavior, accountability, work environment and company culture accomplished by engaging dialogue, encouraging participation and rewarding performance and results.
- 1.2 Ensure that the corporate HSE policy statement is current, signed, and visibly displayed at each facility.
- 1.3 Define, document, and communicate HSE expectations, roles, responsibilities, and authorities to be integrated into projects and daily activities.
- 1.4 Demonstrate visible and active leadership by establishing and communicating HSE goals, key performance indicators (KPIs) or metrics and long term trends for each department, project, operating area or business unit.
- 1.5 Regularly communicate HSE goals, objectives, lessons learned, and commitment to continually improve performance.
- 1.6 Review of HSE performance to industry benchmarks.
- 1.7 Participate in HSE initiatives, incident investigations and lessons learned.
- 1.8 Provide budgeted resources to support HSE incentives, and recognition
- 1.9 Provide budgeted resources to implement this HSE-MS and associated programs and procedures.
- 1.10 Ensure all personnel at all BNK locations are responsible and accountable for their actions and demonstrate their personal ownership to the HSE-MS.
- 1.11 Ensure a process and communication lines are in place to report internally and externally all incidents or releases from primary containment that does, or could, impact people, the environment, property, or exceed regulatory limits

Health, Safety and Environmental Management System		
PAGE	ISSUE DATE	
Page 10 of 27		
DOCUMENT NUMBER	REVISION DATE	REVISION NUMBER

Element 2: Health, Safety and Security

Objective: Provide a safe, secure and healthy work environment.

Expectations	Program
<p>2.1 Communicate to all visitors, employees and contractors that working safely and securely is a condition of BNK employment across all phases of the BNK E&P Lifecycle.</p> <p>2.2 Develop and implement programs to ensure appropriate personal protective equipment (PPE) shall be used by all employees and contractors while in the workplace.</p> <p>2.3 All personnel have the authority to stop work if there is any reason to believe that an unsafe condition exists.</p> <p>2.4 Develop and implement programs to observe and assess human behavior to improve safety performance.</p> <p>2.5 Develop and implement an emergency response plan (ERP) that provides for the management of occupational health, safety and protection of the environment.</p> <p>2.6 Maintain all occupational health records in a confidential manner separate from personnel records.</p> <p>2.7 Develop and implement a program to provide employees and contractors safe food, water, and sanitation in accordance with sanitary and hygienic practices.</p> <p>2.8 Identify, control, and communicate site specific chemical, physical, and biological hazards to employees and contractors (HAZCOM).</p> <p>2.9 Evaluate ergonomic needs in the selection, setup, use and adjustment of equipment and design of all processes, projects, tasks, and jobs.</p> <p>2.10 Develop and implement programs to assess the HSE impact and effects of products and supplies purchased or those used by vendors. Consider alternatives to mitigate human health exposure and potential impact to the environment.</p>	

25 - 5 - 2012



Health, Safety and Environmental Management System

PAGE

Page 11 of 27

ISSUE DATE

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

Element 2: Health, Safety and Security

Objective: Provide a safe, secure and healthy work environment.

Expectations

Program

- 2.11 Develop and implement a travel security plan that addresses journey management.
- 2.12 Develop and implement a process to assess all drivers who operate company vehicles or equipment on behalf of the company business, which may include assessment for competency or defensive or specialized driver training.
- 2.13 Ensure that personnel driving company vehicles on behalf of the company have a valid driver's license and the vehicle is properly registered and insured.
- 2.14 Develop and implement a HSE communication plan with employees and contractors that include meeting(s) and a reporting schedule. Communicate regularly by performing effective pre-job or monthly HSE (safety) meeting(s) that engage affected employees and contractors. Ensure that issues are addressed by explaining the current situation, seek guidance by asking for assistance and input and openly discuss ideas, hazards, critical tasks and key concerns.
- 2.15 Develop and implement systems to review the business activities to identify critical tasks that have exposure to hazards or security risks and ensure appropriate safety, security and health resources are in place and understood.
- 2.16 Develop and implement systems to ensure work practices and procedures are safe by reviewing them for hazards and safety improvements; they are understood and integrated into engineering and operations.
- 2.17 Ensure that when necessary firefighting and lifesaving systems are installed and maintain.



Health, Safety and Environmental Management System

PAGE

Page 12 of 27

ISSUE DATE

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

Element 2: Health, Safety and Security

Objective: Provide a safe, secure and healthy work environment.

Expectations

Program

- 2.18 Develop and implement programs to ensure that each facility has emergency shutdown devices (ESD) as required, and they are properly installed, tested and maintained.
- 2.19 All BNK operations shall have first aid station(s) as required and they shall be inspected and maintained.
- 2.20 When working at heights fall protection equipment must be defined and put into place.
- 2.21 Prior to any excavation, trenching or ground disturbance a hazard assessment of the work site must be performed by a competent person.



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 13 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

Element 3: Compliance Assurance

Objective: Ensure compliance with all applicable laws, regulations, company policies, programs, and procedures.

Expectations

Program

- 3.1 Communicate to all employees and contractors that compliance with all applicable laws, regulations, and company policies, programs, procedures and this HSE-MS is a condition of employment
- 3.2 Ensure processes are in place to identify applicable laws and regulations and all associated compliance records are kept for each project, facility, or operating area.
- 3.3 Develop and implement a system to ensure that all regulatory approvals are obtained and compliance obligations are understood before operations or construction startup.
- 3.4 Apply the BNK HSE-MS and industry-recommended practices in countries or locations where laws and regulations are minimal, vague, or do not exist.
- 3.5 Develop and implement a measurement and goal system to incorporate HSE compliance performance in employee evaluations
- 3.6 Document, report, and resolve non-compliance issues.



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 14 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

Element 4: Training and Communication

Objective: Ensure applicable training is identified and provided for all employees.

Expectations

Program

- 4.1 Assess, define and budget an annual HSE training and competency program.
- 4.2 Develop and implement systems at each BNK facility to have site specific training identified and implemented.
- 4.3 Develop and implement communication systems that include regularly scheduled safety meetings, shift tour handover briefings, written alerts, job safety analysis (JSA), orientation, and pre-job startup and induction briefings.
- 4.4 Develop training programs in accordance with recognized industry practices that are aligned with a job assignment.
- 4.5 Develop and implement a new personnel HSE orientation training class.
- 4.6 Develop and implement a security training plan based on any local threats.
- 4.7 Develop and implement a training program for the installation, use and maintenance of all first aid, firefighting and lifesaving equipment.
- 4.8 Perform CPR training as applicable at each BNK location.
- 4.9 Develop a process to ensure regulatory compliance training.
- 4.10 Develop and provide for driver training as appropriate.
- 4.11 Develop a process to maintain all training records.

Health, Safety and Environmental Management System		
PAGE	ISSUE DATE	
Page 15 of 27		
DOCUMENT NUMBER	REVISION DATE	REVISION NUMBER

Element 5: Risk and Change Management	
Objective: Manage risk and change by evaluating the security environment, identifying hazards, assessing potential consequences and catastrophic failure probabilities, through evaluating and implementing prevention and mitigative measures.	
Expectations	Program
<p>5.1 Develop and implement an HSE document and record management system.</p> <p>5.2 Develop and implement systems to identify and communicate HSE hazards and risks in activities; the cause and potential effects are understood and controls are in place to manage the risk.</p> <p>5.3 Once systems are established, conduct hazard identification throughout the life of a facility and implement appropriate control measures to mitigate or manage the associated risks.</p> <p>5.4 Develop and implement systems to identify HSE critical operational activities. Develop and perform a job safety analysis (JSA) prior to all critical tasks and potentially hazardous work. Ensure each participant understands the hazard and potential risks along with their roles and responsibilities.</p> <p>5.5 Develop and implement a work permit process or permit to work (PTW) to manage and control mechanical, hydraulic, pressurized, electrical, hot/cold work, buried hazards, confined space entry and other operational risks. Prior to starting permitted work, identify and mitigate potential hazards in the work area.</p> <p>5.6 Establish a security plan to ensure the understanding of potential threats and risks and the appropriate level of security.</p> <p>5.7 Establish and implement a documented review process with approval for management of change (MOC) of personnel, procedures, equipment or a deviation of established procedures or design parameters. All changes shall be approved and communicated prior to implementation.</p> <p>5.8 Incorporate human and organizational behavior into risk assessment and planning models.</p>	

25 - 5 - 2012



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 16 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

Element 6: Environmental Stewardship and Stakeholder Interaction

Objective: Use energy and natural resources efficiently; prevent pollution and raise employees' awareness to minimize adverse impacts on the environment. Engage dialogue with stakeholders in a socially responsible manner.

Expectations

Program

- 6.1 Develop and implement programs to minimize the impact of our operations on the environment. Monitor progress of the programs to minimize environmental impacts.
- 6.2 Develop and implement programs to review environmental systems to determine impacts to the physical, biological and societal conditions prior to the startup of BNK activities and identify all sensitive issues. Based on data and best practices, develop a mitigation plan to evaluate alternatives that eliminate or minimize impact of our activities.
- 6.3 Establish systems to conduct consultations that engage stakeholders and consider their input appropriately.
- 6.4 Evaluate socially responsible projects in domestic and international locations, and participate in those that align best with local needs and company culture.
- 6.5 Design, build, operate and maintain facilities, projects and ongoing operations that use energy and nature resources efficiently, prevent surface and subsurface pollution and raise employee awareness to minimize the footprint on the environment.



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 17 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

Element 7: Incident Management and Emergency Response

Objective: Ensure all HSE and regulatory compliance incidents and near hits are reported, investigated, analyzed, and documented. Ensure emergency preparedness and response planning is in place for the protection and security of all stakeholders and assets.

Expectations

Program

- 7.1 Develop and implement a program for incident reporting.
- 7.2 Develop and implement a program which includes incident classification, investigation, analysis and recordkeeping.
- 7.3 Develop, implement, and document emergency preparedness, response, and all other contingency plans. All plans shall be understood through regular training and exercise drills.
- 7.4 Develop and implement security emergency response plans to address the local security environment.
- 7.5 Develop and Implement programs to share lessons learned, HSE alerts and document corrective actions. Incorporate lessons learned into emergency preparedness, response, crisis management, and evacuation plans.



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 18 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

Element 8: Project and Facility Management

Objective: Ensure HSE integration into the design, construction, commissioning, operation, and maintenance of all facilities with competent, responsible personnel.

Expectations

Program

- 8.1 Identify, assess and document HSE, legal and company requirements during project planning and ongoing execution of all operations.
- 8.2 Establish appropriate metrics and goals to measure HSE performance
- 8.3 Develop and implement a maintenance and record keeping program to include appropriate inspection and testing of equipment to sustain ongoing mechanical integrity.
- 8.4 Develop and implement operation, maintenance, and inspection procedures that incorporate appropriate HSE actions.
- 8.5 Develop and implement a procedure to ensure that critical equipment for the facility is designed, fabricated, installed and maintained in a manner consistent with the manufacturer's specifications or industry standards.
- 8.6 Evaluate and implement appropriate HSE into design criteria.
- 8.7 Ensure quality assurance, monitoring, and cross discipline inspection systems are in place to meet facilities' design, mechanical design life, asset integrity, procurement, and construction fabrication specifications.
- 8.8 All written procedures, work instructions and training shall be in English and other native languages where necessary to provide clear understanding, responsibilities and performance expectations.
- 8.9 Design and operating procedures shall address potential HSE consequences if construction, drilling and exploration procedures are improperly performed.



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 19 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

Element 8: Project and Facility Management

Objective: Ensure HSE integration into the design, construction, commissioning, operation, and maintenance of all facilities with competent, responsible personnel.

Expectations

Program

- 8.10 Develop and implement a project communication plan for all routine and non-routine HSE reporting.
- 8.11 Schedule shift tour handover briefings, regular site and office safety meetings.
- 8.12 Prior to utilizing cranes, hoists or other mechanical lifting devices, ensure safe operating practices are addressed and implemented.
- 8.13 A written pre-startup plan or orientation should be developed, reviewed and communicated for all new and modified facilities, seismic, construction and drilling.



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 20 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

Element 9: Contractor Selection and Expectations

Objective: Ensure contractors are evaluated and selected and perform in a manner that is consistent and compatible with the HSE-MS.

Expectations

Program

- 9.1 Develop and implement a system to evaluate and select contractors using criteria that consider their HSE management system and history of safety and environmental performance and that validate insurance coverage, compliance record, and litigation history.
- 9.2 Communicate to contractors applicable HSE-MS expectations.
- 9.3 Monitor and assess contractors' HSE performance; provide feedback and correct deficiencies.
- 9.4 Communicate to contractors potential worksite hazards and risks.
- 9.5 Require contractors to be responsible for providing personnel that are appropriately screened, trained, qualified, and able to perform specified duties.
- 9.6 Identify and plan for simultaneous operations (SIMOPS) that may occur by identifying hazards and mitigation strategies. Develop and implement simultaneous operations work plans to define risk mitigation strategies.
- 9.7 Develop a process to verify contractor training records, qualifications and certifications.



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 21 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

Element 10: Assessments and Continuous Improvement

Objective: Ensure regulatory compliance and that the HSE-MS objectives, programs, and procedures are implemented, reviewed, and improved in a systematic manner.

Expectations	Program
10.1 Conduct periodic regulatory compliance assessments against federal, national and local rules, regulations and requirements.	
10.2 Develop and implement programs to conduct periodic assessments to verify implementation of the HSE-MS and associated programs and procedures.	
10.3 Document HSE inspection and findings with completed corrective actions, and communicate results to management.	
10.4 Develop and implement an appropriate feedback mechanism for continuous improvement to share and communicate knowledge, lessons learned, and best practices across all appropriate levels and function of BNK.	



Health, Safety and Environmental Management System

PAGE

ISSUE DATE

Page 22 of 27

DOCUMENT NUMBER

REVISION DATE

REVISION NUMBER

APPENDIX I

DEFINITIONS

Certain generic terms used in the HSE-MS are defined as follows:

Accountable: Acknowledgment and assumption of responsibility for actions.

Critical Activities: Activities, tasks or procedural steps that are identified that involve or create a hazard and associated risk to people, the environment or property if improperly mitigated.

Culture: Our culture is reflected in our attitudes, beliefs, perceptions and values that drive our behaviors which drive our results. How we spend our time and effort demonstrates our value system.

Elements: 10 Elements define HSE performance Expectations and minimum requirements to be integrated into our business activities worldwide.

Expectations: The Expectations are listed under each of the 10 Elements within the HSE-MS and represent BNK Petroleum's minimum requirements to be integrated into our business activities worldwide.

E&P Lifecycle: An organizational tool designed to assist project managers to trigger HSE support and integrate HSE into core business.

Facilities: All BNK-operated locations including well sites, gathering systems, production facilities, and offices.

HSE Plan: The HSE Plan takes into account the project scope of work and determines which HSE-MS Expectations are applicable. The HSE Plan would define who does what when to ensure compliance and safe work practices.

Incidents: Any unplanned event involving BNK personnel or contractors that result in adverse consequences to people, the environment, or BNK assets, such as medical and vehicular accidents, injuries, explosions, fires, releases, and spills.

Operations: All activities conducted on BNK-owned, -operated, or -leased properties, including in offices, on seismic surveys, during drilling operations, and at production locations.

Policy: The BNK Petroleum HSE Policy and Guiding Principles are established at the corporate level, approved by the Board of Directors and signed by the Chief Executive Officer. The BNK HSE-MS will be periodically reviewed to ensure alignment with the corporate Policy.

Procedures: Local procedures define site specific work practices to mitigate risk to human health, safety, and the environment. Procedure development may be a multi-functional team or interdepartmental process.

Programs: Each element is supported by company programs or industry practices that provide details on the processes, tools, and behaviors required to achieve the HSE performance expectations.

Responsible: Liable to be required to give account, as of one's actions or of the discharge of a duty or trust.

Risk Management: Risk management is the identification, assessment, and prioritization of risks, both positive and negative, followed by coordinated and economical application of resources to mitigate, minimize, monitor, and control the probability and or impact.

Visitor: All visitors to a BNK facility who are not regular employees or contractors at that facility.

- Corporate Board of Governance
- Business Framework to Consistently Integrate HSE-MS Into Daily Activities
- Details to Support the Elements and Expectations
- Site Specific Execution

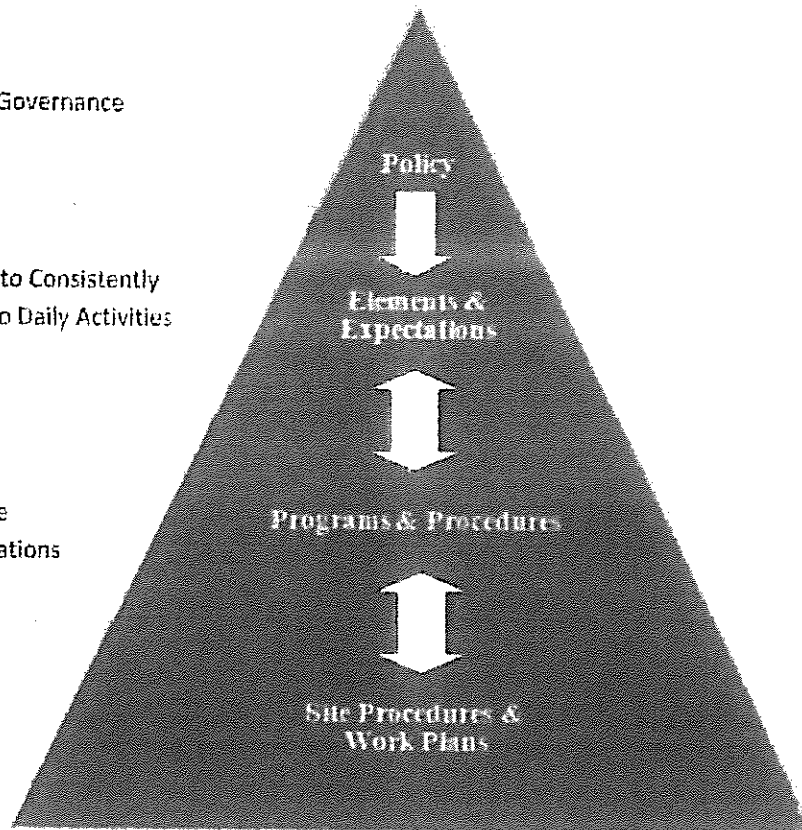


Figure 1

The BNK HSE-MS contains 10 Elements with supporting Expectations that are to be met or exceeded and integrated appropriately into our daily business activities worldwide. This sets forth our minimum guidelines for HSE.



Global Health, Safety and Environmental Policy BNK Petroleum

BNK Petroleum and all its subsidiaries endeavor to conduct business in a manner that respects health and safety of its employees, its contractors and the communities where we operate, as well as the environment. The foundation for BNK's success will be in achieving excellence in Health, Safety and Environmental performance and corresponding Operational performance.

Our Health, Safety and Environmental Values

To achieve our HSE Policy, BNK will:

1. Demonstrate visible and active leadership in all of our business activities by providing resources necessary to manage and communicate HSE commitment and expectations. Appropriate systems and procedures will be developed to ensure fulfillment of this policy and these values.
2. Make it clear to all employees and contractors that working safely is a core value of BNK. We encourage every employee and contractor to take personal responsibility to understand and implement the principles of HSE excellence.
3. Comply with all applicable HSE Laws, legislation and regulations in the countries or communities where we operate and implement responsible controls where such do not exist.
4. Provide training and training criteria to our employees and contractors allowing them to perform their job safely and to effectively utilize their knowledge and skills to maintain a safe and healthy work environment.
5. Identify and assess potential hazards and threats to people, the environment and assets. Implement appropriate actions to eliminate, mitigate or manage these risks.
6. Continue to minimize the impact of our operations and services on the environment by implementing feasible projects that promote energy efficiency and effective use of natural resources.
7. Strive to eliminate safety and environmental incidents. In the event an incident occurs, appropriate response and corrective action will be performed in a timely manner.
8. Work proactively with our stakeholders to develop and advance effective approaches to human health, safety and environmental protection.
9. Achieve continual HSE improvements by setting targets, reviewing assets and practices, and reporting results of our performance.
10. Implement HSE Management Systems to achieve the objective outlined in this policy.

By adopting this HSE Policy and set of values, BNK Petroleum demonstrates its commitment to conduct business in a manner that protects human health, safety and the environment. We intend to make consistent progress in implementing these and apply them to all aspects of our operations.

President and Chief Executive Officer

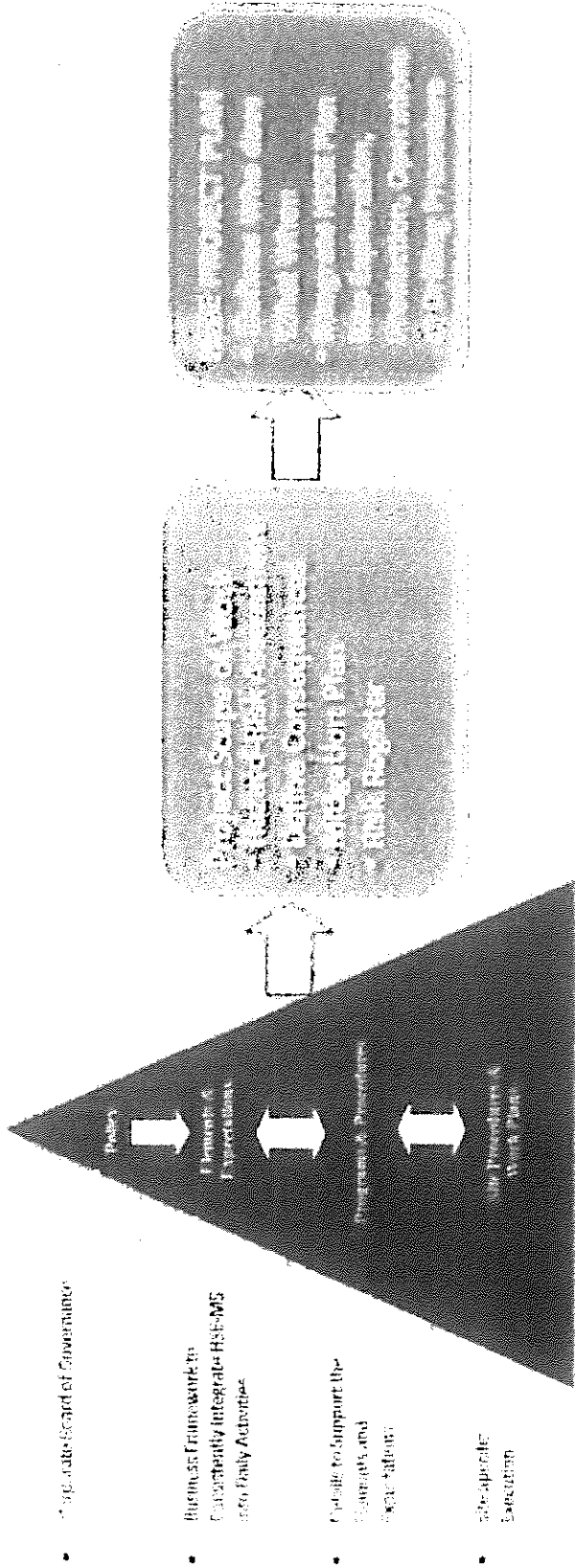
This policy will be integrated into BNK business decisions and daily activities worldwide through the use of the HSE-MS.

Figure 2

EXPLORATION & PRODUCTION LIFECYCLE

Planning		Exploration		Production			Exit	
New Area or Country Entry		Prospect Identification	Prospect Evaluation	Drilling	Development	Operations	Abandonment	Divestiture
<ul style="list-style-type: none"> Project Planning Mergers & Acquisitions New Country Entry New Concession New Office 	<ul style="list-style-type: none"> Swat Studies Exploration Plan Conceptual Plan Field Trip Feasibility Studies 	<ul style="list-style-type: none"> Field Geology Seismic Plan Drilling plan Construction 	<ul style="list-style-type: none"> New Wells Drift Site Construction DWOP Drilling, Workover or Intervention Permits 	<ul style="list-style-type: none"> Prepump Well Program Field Plan Spill Remediation 	<ul style="list-style-type: none"> Health & Safety Plans Permit/License Acquisition Environmental Documentation Pinch Points 	<ul style="list-style-type: none"> Operating Permits (Air, Water, Waste) Health & Safety Plan Compliance Assurance Incident Free Operations Hazard Evaluation Identify Fire & Life Saving Equipment 	<ul style="list-style-type: none"> USA Facility Closure 	<ul style="list-style-type: none"> Asset/Liability Transfer Divestitures Property Transfer
<ul style="list-style-type: none"> Project Planning Budgeting/Reviews Confidentiality Agreement (CA) Data Room Visit 	<ul style="list-style-type: none"> Decision to run seismic or drill Exploration Planning 	<ul style="list-style-type: none"> Schedule Development Activity Planning Permits 	<ul style="list-style-type: none"> Project planning Permits 	<ul style="list-style-type: none"> Project planning Permits 	<ul style="list-style-type: none"> Health & Safety Plans Permit/License Acquisition Environmental Documentation Pinch Points 	<ul style="list-style-type: none"> Operating Permits (Air, Water, Waste) Health & Safety Plan Compliance Assurance Incident Free Operations Hazard Evaluation Identify Fire & Life Saving Equipment 	<ul style="list-style-type: none"> USA Facility Closure 	<ul style="list-style-type: none"> Asset/Liability Transfer Divestitures Property Transfer
<ul style="list-style-type: none"> Determine Regulatory Requirements Perform Baseline Environmental Risk Assessment Data Diligence Health, Economic Review Security Review/Plan 	<ul style="list-style-type: none"> HSE-MS and regulatory review Contractor qualifications Risk Analysis Environmental Documentation Security Analysis 	<ul style="list-style-type: none"> Perform physical surface-risk evaluation Regulatory Review Contractor Assessment HSE into Contracts (MSC) 	<ul style="list-style-type: none"> Compliance Assurance Emergency Plans Soil Prevention Stormwater Waste USA Dropped Objects Heights 	<ul style="list-style-type: none"> Project planning Permits 	<ul style="list-style-type: none"> Health & Safety Plans Permit/License Acquisition Environmental Documentation Pinch Points 	<ul style="list-style-type: none"> Operating Permits (Air, Water, Waste) Health & Safety Plan Compliance Assurance Incident Free Operations Hazard Evaluation Identify Fire & Life Saving Equipment 	<ul style="list-style-type: none"> USA Facility Closure 	<ul style="list-style-type: none"> Asset/Liability Transfer Divestitures Property Transfer
<ul style="list-style-type: none"> Review the HSE-MS with Project Manager to determine applicable expectations 	<ul style="list-style-type: none"> Review the HSE-MS with Project Manager to determine applicable expectations Contractor requirements Define HSE Plan 	<ul style="list-style-type: none"> Review the HSE-MS with Project Manager to determine applicable expectations Contractor Requirements Define HSE Plan 	<ul style="list-style-type: none"> Review the HSE-MS with Project Manager to determine applicable expectations Contractor Requirements Define HSE Plan 	<ul style="list-style-type: none"> Review the HSE-MS with Project Manager to determine applicable expectations Define HSE Plan 	<ul style="list-style-type: none"> Review the HSE-MS with Project Manager to determine applicable expectations Define HSE Plan 	<ul style="list-style-type: none"> Review the HSE-MS with Project Manager to determine applicable expectations Define HSE Plan 	<ul style="list-style-type: none"> Review the HSE-MS with Project Manager to determine applicable expectations Define HSE Plan 	<ul style="list-style-type: none"> Review the HSE-MS with Project Manager to determine applicable expectations Define HSE Plan

Figure 3



Consistent HSE Integration into Project Plans

Figure 4

HSE Document Approval Process

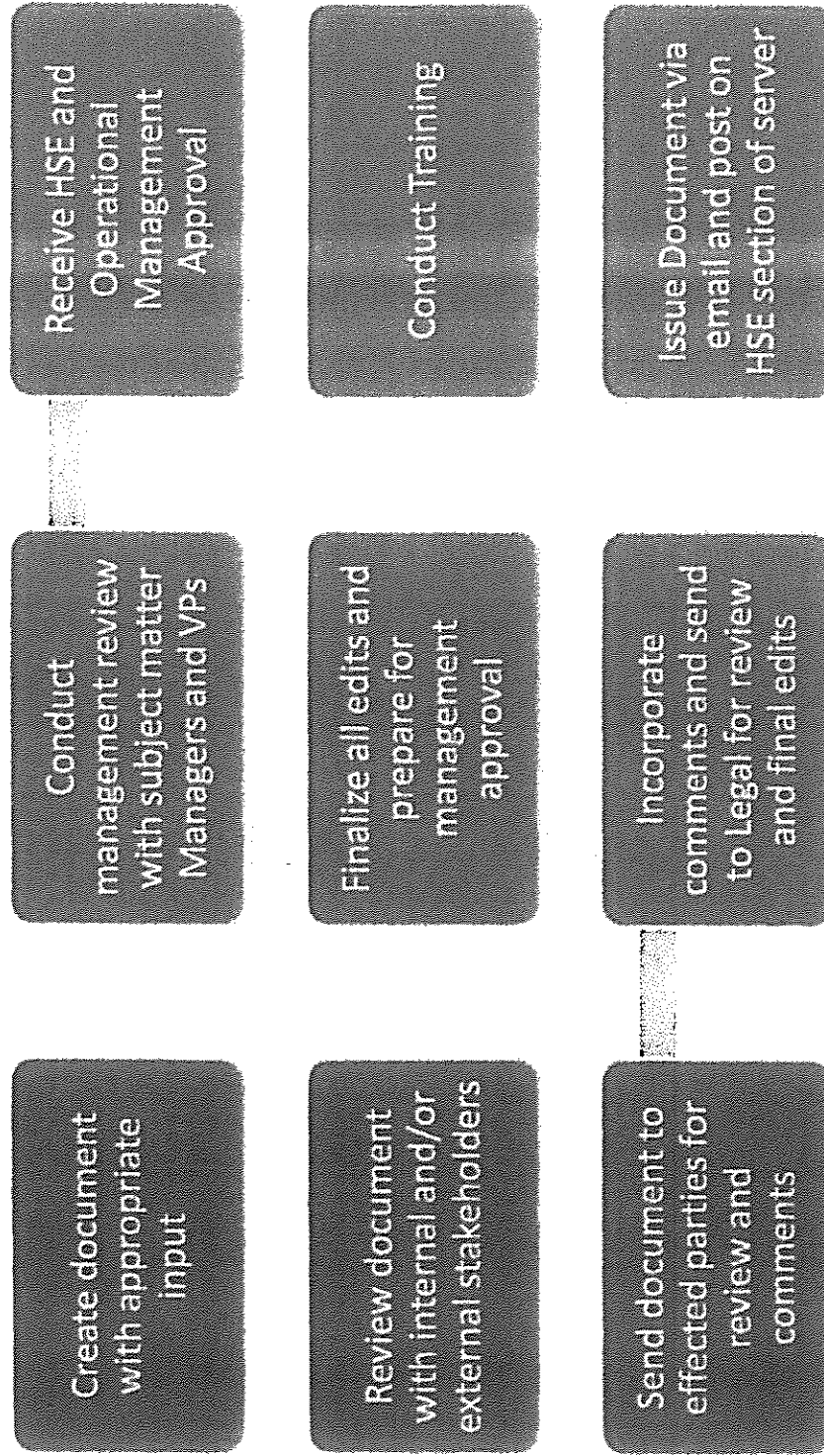
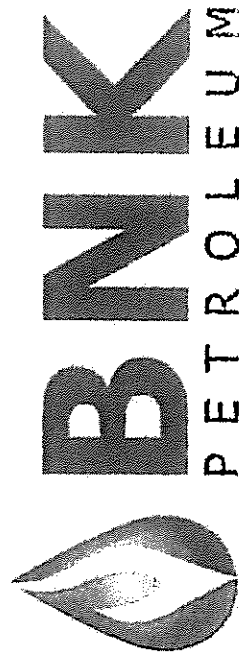


Figure 5



**Black Shale Potential
BNK's Application for Exploration
Netherlands**

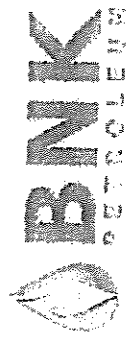
22 March 2012

Summary

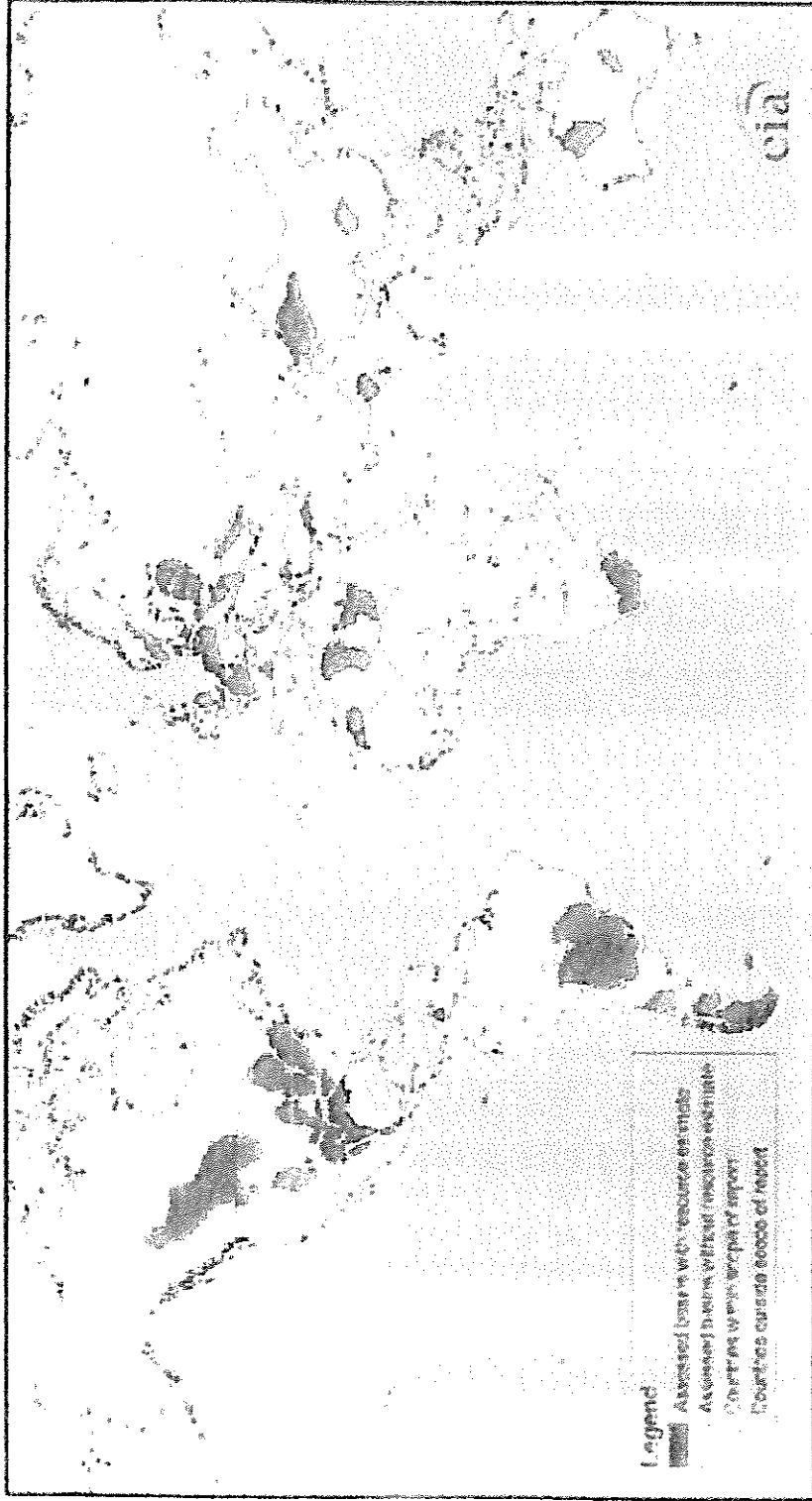
◦ BNK identified potential shale resource candidates

◦

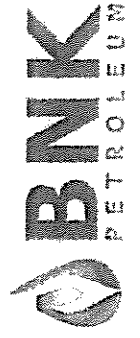
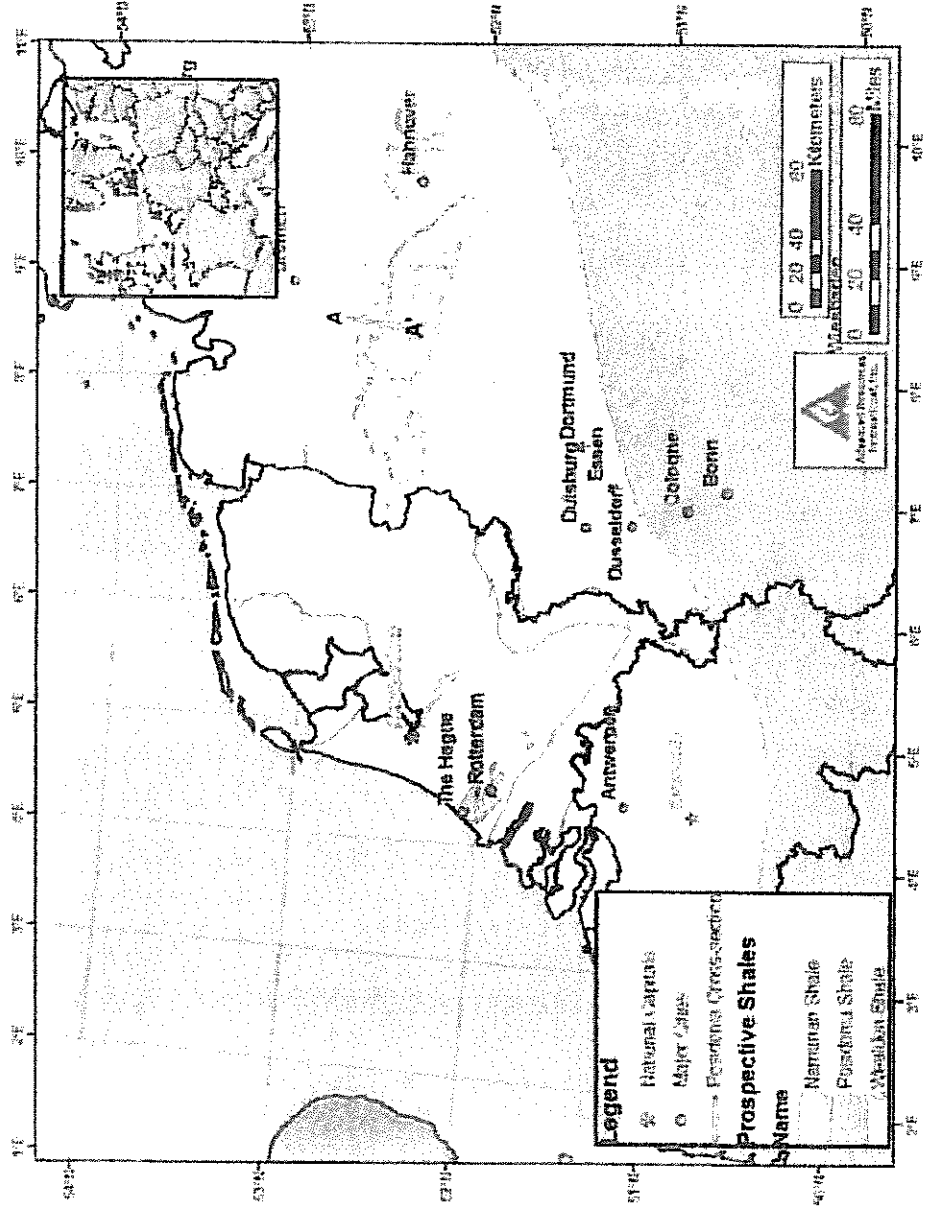
◦ Over km² prospective



Black Shale Basins of the World



EIA Netherlands Overview

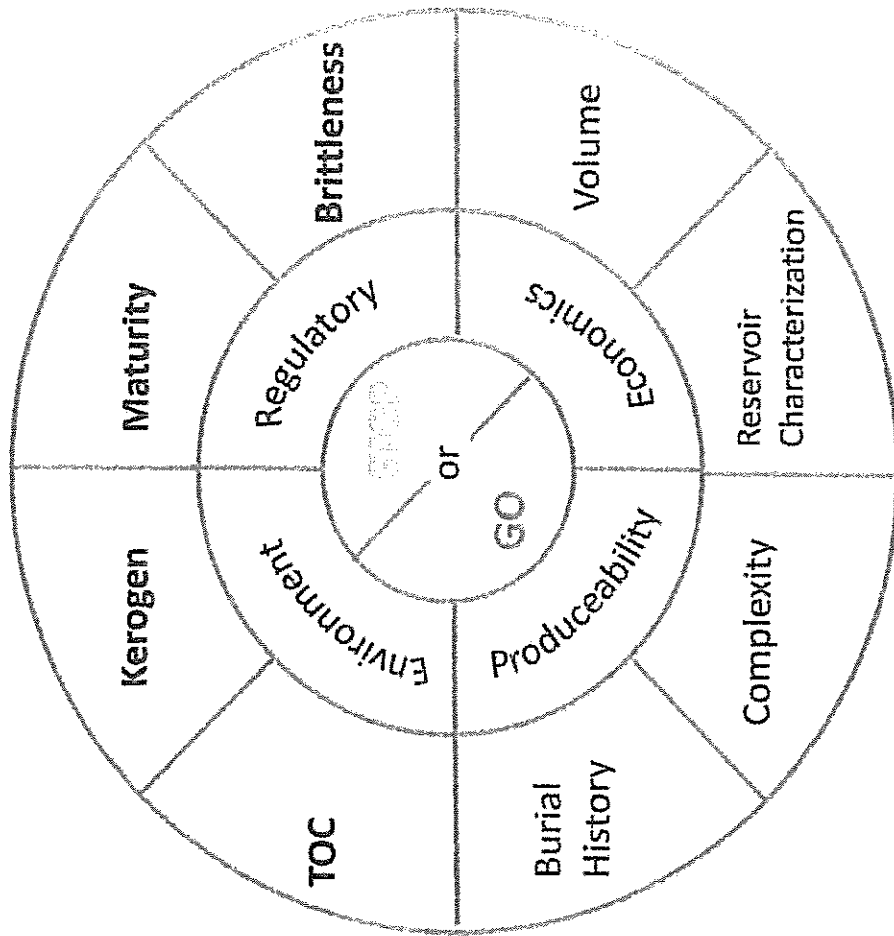


Shale Gas Reservoir Properties and Resources of Western Europe

Basin/Cross Area	France Paris Basin (61,454 mi ²)		France Southeast Basin (17,900 mi ²)		North Sea-German Basin (78,126 mi ²)			Scandinavia Region (38,221 mi ²)	U.K. Northern Petroleum System (22,431 mi ²)	U.K. Southern Petroleum System (7,644 mi ²)
	Permian-Carboniferous	Triassic	Triassic	Lower Jurassic	Permian Shale	Carboniferous	Triassic	Permian	Bowland Shale	Liassic Shales
Prospective Area (mi ²)	17,942	194 - 7,216	16,900	47,800	2,550	3,859	2,810	38,221	9,822	160
Thickness (ft)	382	115	335	525	146	407	112	328	492	415
Depth (ft)	2,528 - 13,120	10,624	3,280 - 8,560	8,200 - 16,400	3,280 - 16,400	8,200 - 16,400	3,280 - 9,940	-	3,280 - 5,300	11,500 - 15,500
Reservoir Pressure	Normal	Normal	Normal	Normal	Normal	Overpressured	Normal	Normal	Normal	Normal
Average TOC (wt. %)	4.0%	2.5%	2.5%	2.5%	5.7%	5.5%	4.5%	10.0%	5.8%	2.4%
Thermal Maturity (%Ro)	1.65%	1.25%	1.25%	1.45%	1.5%	2.5%	1.25%	1.85%	1.4%	1.15%
Clay Content	Medium	Low	Low	Medium	Low/medium	Medium	Medium	Low	Medium/High	Medium
GIP Concentration (Bcf/m ³)	47	27	27	57	33	54	26	77	48	45
Risked GIP (Tcf)	303	112	112	305	26	64	9	584	95	2
Risked Recoverable (Tcf)	75	25	25	72	7	16	2	147	12	1



Shale Evaluation Workflow



A Brief Introduction to TOC

Total Organic Carbon (TOC)-material derived from decaying vegetation, bacterial growth, and metabolic activities of living organisms

- Measured in weight-% and directly proportional to the yield of gas
 - <2% poor risk for oil or gas
 - >2% good risk for oil or gas
- Economical volumes of oil or gas are dependent on thickness and areal extent of the shale

A Brief Introduction to Kerogen

Kerogen is a solid, waxy compound that is transformed into hydrocarbons with sufficient pressure and temperature.

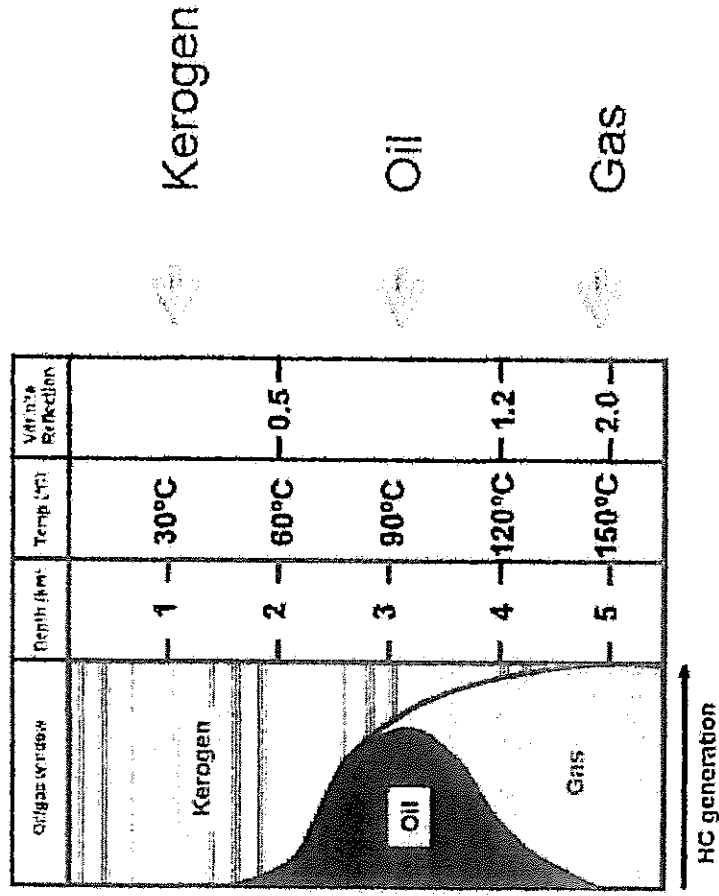
Basic Types of Kerogen

- Type I: derived from algae in anoxic lakes; rich oil source
- Type II: from marine algae and transported terrestrial plant material; mixed oil & gas source (**BEST for shale gas**)
- Type III: from terrestrial woody plants (coal); gas source

A Brief Introduction to Source Rock Maturity (Ro)

Ro is a measurement of the amount (%) of reflected light from the samples. Indicates what hydrocarbon product has been generated.

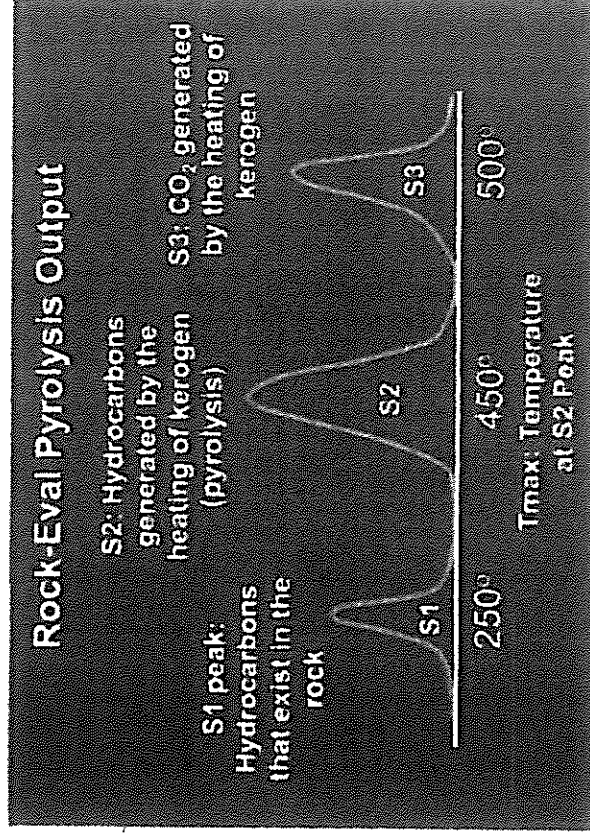
%Ro and the Oil/Gas Window



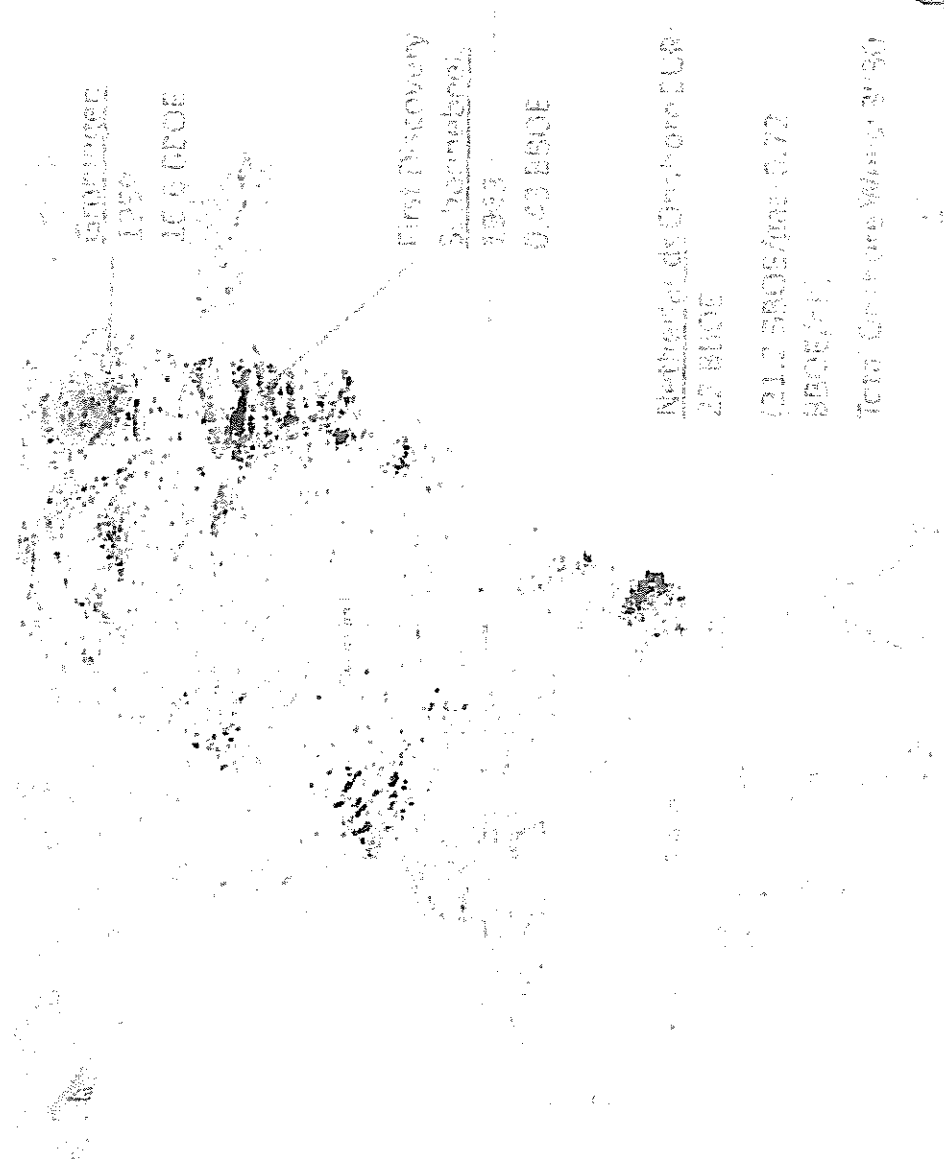
A Brief Introduction to Rock Eval Pyrolysis

Used to identify the type and maturity of the organic matter and to quantify the petroleum generation potential.

- A small rock sample is heated and the free hydrocarbons and heavy hydrocarbons are volatilized and the temperatures are recorded at these occurrences.



Oil & Gas of the Netherlands

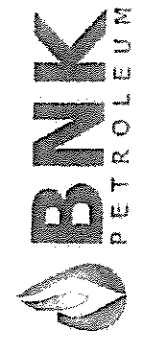


First Discovery
Bucumbos
1983
0.43 BBOE

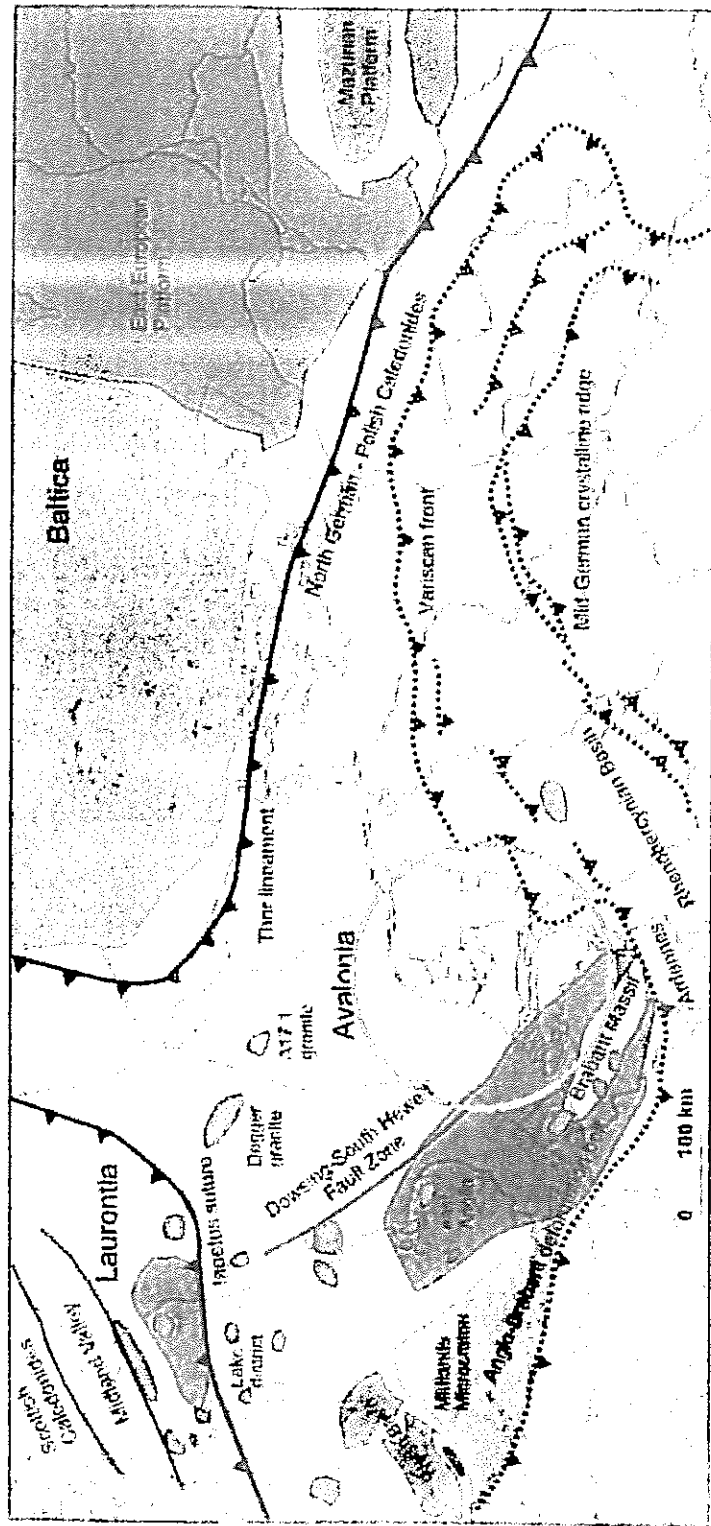
Netherlands Onshore EUR
27 BBOE

(21.2 BBOE/Int) 0.72
BBOE/Int

Total Onshore World 3.50



Tectonic Framework



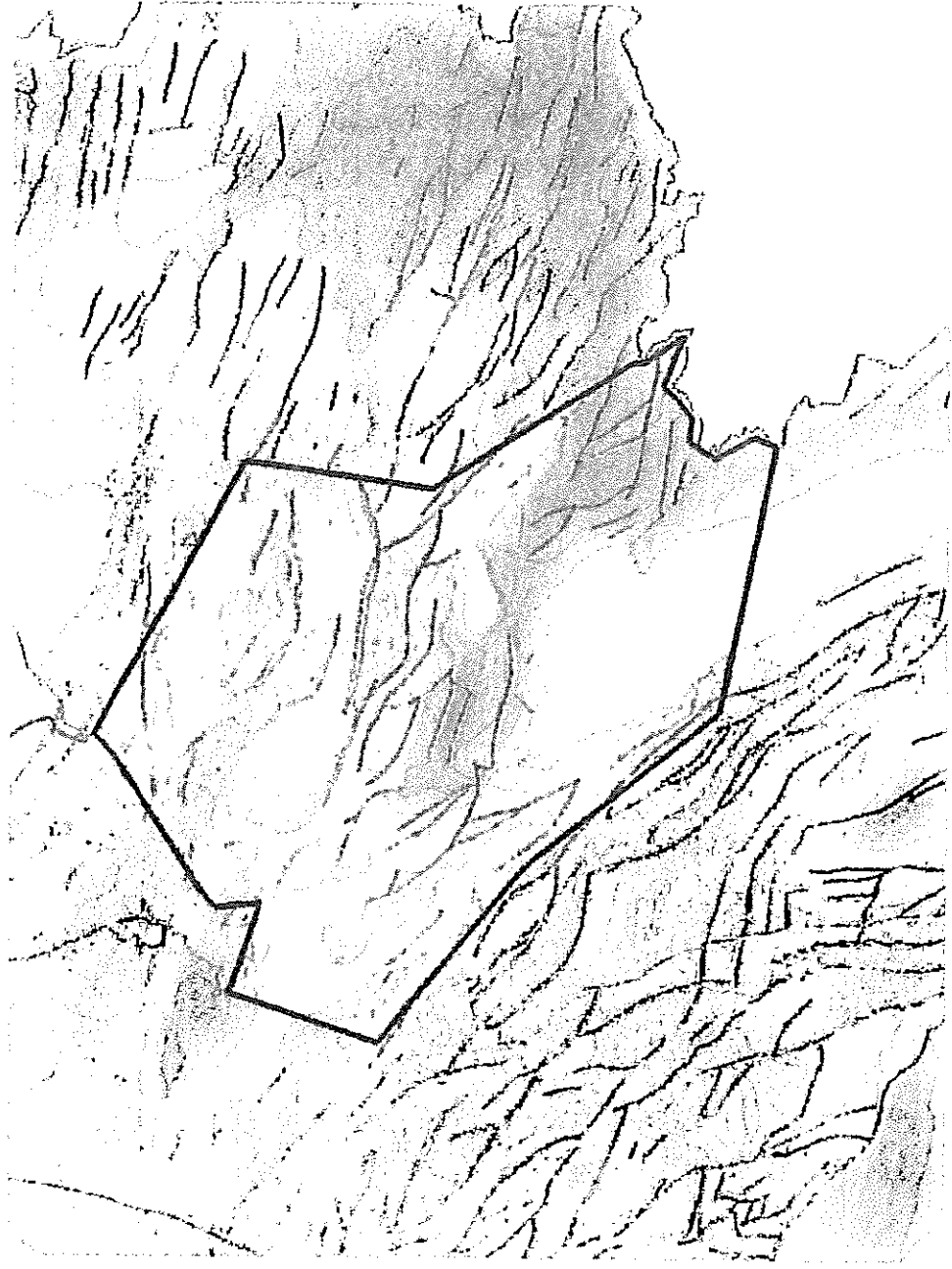
Geologic column of the Netherlands



Base Permian (TNO grid)



Base Permian concession area



Palaeogeography of the



Regional

maturity





-1



-1

Screening Parameters

Shale gas-in-place from
analogs

Shale gas recovery factor from analogous

shale resource potential

Concession Size	km
Core area (20% of total)	. km. (. JS sections)
Thickness	, m
GIP (BCFG/section/ft.)	BCFG
Recovery factor	%
Rock Dip Mean GIP	BCM
Rock Dip Mean Recoverable	BCM



Initial screening results

Criteria	Filter
Vro	%
TOC	%
Kerogen	
Thickness (m)	
Extent (sq.km.)	
Depth ((m)	
GIP(mcf/ac-ft)	

Base of Jurassic (TNO grid)



Limits of Shale



Gas and Condensate Shows in

Summary

◦ BNK identified potential shale resource candidates

—
◦
◦
◦
◦
◦
—
◦
◦
◦
◦
◦

◦ Over km² prospective



Thank you.

