

BNK PETROLEUM INC.

Terms of Reference, Policies and Compensation Plans

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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 and Nominating Committee
- Compensation Committee
- Health, Safety and Environmental 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 pursuant to the Company's articles. The following additional provisions shall apply to meetings of the Board:

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. 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;
3. 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;
4. 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;
5. Management shall receive notice of meetings and may attend meetings of the Board at the invitation of the Chairman or Lead Director (if one);
6. 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.

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 principal risks of the business;
3. identifying, on at least an annual basis, 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. establishing 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
 - (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.

Amendments adopted by the Board of Directors on April 29, 2011.

BNK PETROLEUM INC.

Mandate of the CHAIRMAN

The Board shall designate an independent director to serve as Chairman with the responsibility to ensure that the Board executes its mandate effectively, efficiently and independently of management.

Specific Role and Responsibility:

- Ensure that the Board works as a cohesive team under his/her leadership and that Board meetings are conducted in such a manner that facilitates the exchange of constructive and objective points of view, and encourages all directors to participate in such a way that is conducive to good decision-making.
- Ensure that the Board has adequate resources, especially by way of full, timely and relevant information to support its decision-making requirements.
- Reviews the Board meeting agendas to ensure that matters are brought up in a timely fashion and that they are documented in a manner that allows the making of well informed decisions and provide input to the President on the preparation of agendas for Board and committee meetings.
- Ensure that a process is in place to monitor legislation and best practices which relate to the responsibilities of the Board, to assess the effectiveness of the overall Board, its committees, and individual directors on a regular basis. Consult with the President and the Board on the effectiveness of Board Committees.
- Ensure delegated committee functions are carried out and reported to the Board.
- Ensure that independent directors have adequate opportunities to meet to discuss issues without Management present.
- Chair Board and shareholder meetings.
- Communicate to management, as appropriate, the results of private discussions among outside directors and ensure that the expectations of the Board towards management and those of management towards the Board are clearly expressed in a respectful and constructive manner.
- Oversee the evaluation of the performance of the President and CEO, the CFO and other senior executives or officers, and assume the responsibility of executing a potential decision of the Board to dismiss the President and CEO.
- Oversee the Board's obligation to discharge all its fiduciary obligations and that the Company implements its code of ethics.

This Mandate of the Chairman was adopted by the Board of Directors of BNK Petroleum Inc. on the 25th day of March 2009.

By order of the Board of Directors

BNK PETROLEUM INC.

AUDIT COMMITTEE CHARTER

I. Mandate

The primary function of the audit committee (the "**Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

II. Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, all of whom shall independent, as such term is defined in National Instrument 52-110 – *Audit Committees*.

All members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the this Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

III. Meetings

The Committee shall meet at least quarterly, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

IV. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Review of Reports, Policies and Procedures

1. Review and update this Charter annually.

2. Review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
3. Review with management and make recommendations to the Board in respect of the adequacy and effectiveness of the Company's financial risk management procedures.
4. Review the monitoring of the Whistleblower Policy for the submission, receipt, retention and treatment of complaints and concerns regarding accounting and auditing matters, and review any developments and responses on reports received thereunder.

External Auditors

5. Review annually the performance of the external auditors and ensure their independence after reviewing all significant relationships they might have with the Company.
6. Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
7. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
8. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
9. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
10. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

12. In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
13. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
14. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
15. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
16. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
17. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
18. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
19. Review certification process.

Other

20. Review any related-party transactions.

V. Annual Work Plan

21. The Committee reviews and updates annually a work plan for the ensuing year which includes periodic review at specified times and periods of financial reporting and continuous disclosure documents and matters, internal controls and reporting, dealings with external auditors and other related matters.

This Audit Committee Charter was adopted by the Board of Directors of the Company on the 25th day of March, 2009, and was most recently updated on March 29, 2011.

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;

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.

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. 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. A meeting shall, if feasible, 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. have responsibility for:
 - (a) identifying, reviewing the qualifications of, and recommending qualified candidates for election or re-election to the Board at each annual general meeting;
 - (b) in the event of a vacancy or newly created directorships on the Board, the Committee shall recommend to the Board nominees for appointment to fill the position(s); and

- (c) evaluate recommendations for Board nominees and proposals submitted by the Corporation's shareholders identifying potential Board candidates.

In performing these duties, the Committee will assess potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. The Committee will consult members of the Board and representatives of the oil and gas industry for possible candidates, as appropriate.

3. in respect of any director nominee who submits his or her offer of resignation for the consideration of the Corporate Governance Committee pursuant to the Corporation's Majority Voting Policy, meet to review the matter and make a recommendation to the Board after reviewing the matter, in accordance with the Majority Voting Policy.
4. 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:
 - (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.

These Terms of Reference have been approved by the Board on May 2, 2014.



**BNK PETROLEUM INC.
("Corporation")**

**MANDATE OF THE
HEALTH, SAFETY AND ENVIRONMENT COMMITTEE**

STATEMENT OF PRINCIPLES

The Corporation and its subsidiaries are committed to the protection of life, health and the environment for present and future generations. We will focus our resources to achieve shareholder profitability in our operations without neglecting our commitment to sustainable development. We will respect the needs and culture of the local communities. All employees are responsible for incorporating into their planning and work the actions necessary to fulfill this commitment.

GENERAL

The Health, Safety & Environment Committee (the "Committee"), under the supervision of the Board, shall have overall responsibility for overseeing the development and implementation of policies and procedures for ensuring a safe, healthy work environment and sustainable development.

The Committee shall be comprised of three members, a majority of whom shall be "independent" directors as defined in applicable securities legislation.

RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board.

The Committee shall, with input from Management as required:

- (a) ensure that applicable management is familiar with requirements and trends relating to health, safety and the environment in each jurisdiction in which it operates and evaluate the Corporation's compliance with such requirements;
- (b) assess environmental risks and the Corporation's risk management;
- (c) review and make recommendations regarding the Corporation's existing policies, procedures and practices related to health, safety and the environment;
- (d) evaluate environmental performance within the Corporation from a best practices point of view including performance by Corporation contractors;

- (e) review variances and non-compliance issues related to the Corporation's policies, and procedures related to health, safety and the environment;
- (f) ensure that good business practices exist in order that the Corporation meets or exceeds its legal requirements concerning environmental and safety practices; and
- (g) make recommendations to the Board as required and report to the Board at least annually, and more frequently if it considers appropriate, on its evaluation of the Corporation's performance relative to its policy objectives in regard to health, safety and environmental matters and any conditions or incidents that could reasonably be expected to affect the risk profile of the Corporation, its disclosure and/or its reputation.

In assessing and making recommendations regarding the Corporation's policies, procedures and practices regarding health, safety and environmental matters, the Committee shall promote the following objectives:

- employee commitment and accountability to the Corporation's policies and procedures and enhancement of their capabilities in its implementation through the use of appropriate management systems.
- the development and implementation of effective, realistic systems to minimize risks to health, safety and the environment.
- open communication with employees, local stakeholders and governments regarding the Corporation's plans, programs and performance.
- cooperation with government agencies, local communities, educational institutions and suppliers to achieve safe handling, use and disposal of materials, resources and products.
- use of technologies that are designed to improve the safe, efficient use of resources, processes and materials.

The Committee shall be entitled to engage independent consultants to assist it in fulfilling its mandate, provided that it shall consult with management in the selection of such consultants and obtain an estimate of fees and costs for such services in advance of entering into a commitment.

The Committee shall have such other powers and duties as are delegated to it by the Board.

REPORTING

The Committee shall report to the Board of Directors at its regularly scheduled meetings.

EFFECTIVE DATE

This Mandate was implemented by the Board on May 2, 2014.

BNK Petroleum Inc.

RESERVES COMMITTEE CHARTER

A. MANDATE

The purpose of the Reserves Committee (the “Committee”) of the Board of Directors (the “Board”) of BNK Petroleum Inc. (the “Company”) is to assist the Board in fulfilling its responsibilities with respect to the Company’s oil, natural gas and natural gas liquids reserves (the “reserves”) and resource evaluation process and public disclosure of reserves data and other information as required under National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”).

B. STRUCTURE AND ORGANIZATION

Members. The Committee shall consist of three directors, who shall be appointed by the Board and may be removed by the Board.

In accordance with section 3.5 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”), a majority of the members of the Committee will be:

- a) individuals who are not and have not been, during the preceding 12 months:
 - i. an officer or employee of the Company or an affiliate of the Company;
 - ii. a person who beneficially owns 10 percent or more of the outstanding voting securities of the Company; or
 - iii. a relative of a person referred to in (i) or (ii) above, residing in the same home as that person; and
- b) free from any business or other relationship which could reasonably be seen to interfere with the exercise of their independent judgement.

A majority of the members of the Committee will also be “independent” as determined in accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

The Chair of the Committee shall be designated by the Board or by the members of the Committee if the Chair is absent from the meeting.

C. OPERATION

The Company shall provide the Committee with the resources necessary to satisfy its responsibilities, including the authority to engage, at the expense of the

Company, independent legal counsel, engineers and such other advisors, as the Committee deems necessary. The Board believes the duties and responsibilities of the Committee should remain flexible in order to best react to changing conditions and to enable it to assure the Board and shareholders that the Company's reserves preparation procedures and reporting practices are in accordance with all legal and regulatory requirements. The Committee is therefore authorized to take such further actions as are consistent with the functions described herein and to perform such other actions as required by the Board.

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

D. MEETINGS

The Committee will meet a minimum of two times per year. The Committee, or designated Committee member, will meet at least once a year with the Company's independent petroleum consultants. The Committee shall meet in person or telephonically at such times and at such places as determined by the Committee Chair, and may act by unanimous written consent.

A Committee member, or any other person selected by the Chair, shall be appointed at each meeting to act as Secretary for the purpose of recording minutes of the meeting.

Quorum. A majority of the members of the Committee, but in no event less than two members, shall constitute a quorum for the meetings of the Committee.

E. DUTIES AND RESPONSIBILITIES

1. Review, with reasonable frequency, the Company's procedures relating to the disclosure of information with respect to oil and gas activities, including the Company's procedures for complying with the disclosure requirements and restrictions of NI 51-101;
2. Approve the appointment of, and any proposed change in, the independent qualified reserves evaluator or auditor retained to assist the Company in the annual review of the Company's reserves;
3. In the case of any proposed change in the independent qualified reserves evaluator or auditor, determine the reasons for the proposed change and whether there have been any disputes between the appointed qualified reserves evaluator or auditor and management of the Company;

4. Review, with reasonable frequency, the Company's procedures for providing information to the qualified reserves evaluator or auditor who reports on reserves data;
5. Meet with management and the qualified reserves evaluator or auditor, including a meeting with the qualified reserves evaluator or auditor without management present, to:
 - i. review the reserves data and the report of the qualified reserves evaluator or auditor thereon; and
 - ii. determine whether any restrictions affect the ability of the qualified reserves evaluator or auditor to report on reserves data without reservation;
6. Review and recommend to the Board for approval:
 - i. the content and filing of the Company's annual statement of reserves data and other oil and gas information;
 - ii. the filing of the annual report on reserves data by the qualified reserves evaluator or auditor; and
 - iii. the content and filing the Company's annual report of management and directors on oil and gas disclosure

(it being acknowledged that section 3.5(2) of NI 51-101 prohibits the Board from delegating to the Committee the responsibility to approve such content or filing and that section 3.5(3) of NI 51-101 requires the Board to solicit such recommendation from the Committee);
7. Assist the Board in its oversight of the Company's compliance with legal and regulatory requirements relating to its oil and gas activities;
8. Monitor the performance of the Company's independent engineering consultants;
9. Meet annually, or more frequently if considered necessary or appropriate, with the Company's senior reserves engineering personnel and the independent engineering consultants of the Company to review and consider the evaluation of the reserves and any other matters of concern in respect of the evaluation of the reserves;

10. Review the integrity of the Company's reserves evaluation process and reporting system;
11. Review with the independent engineering consultants any reserves reporting problems or difficulties and management's response, including difficulties encountered in the course of the reserves engineering report preparation; any restrictions placed on the scope of the independent engineering consultants' activities or access to requested information, and any significant disagreements with management;
12. Review the Company's significant reserves engineering principles and policies and any significant changes thereto and any proposed changes in reserves engineering standards and principles which have, or may have, a material impact on the Company's reserves disclosure;
13. Resolve any material disagreements or difficulties between the independent engineering consultants and management;
14. Review any material reserves adjustments;
15. Review any public disclosure or regulatory filings with respect to any reserves evaluation or related oil and gas activities, including annual filings and material change reports and, if appropriate make recommendations to the Board as to their approval for the release or filing thereof;
16. Initiate, when appropriate, investigations of matters within the scope of its responsibilities; and
17. Perform such other duties and responsibilities as the Board shall approve and assign to the Committee.

F. REPORTING

The Committee will report to the Board not less than once each year, and review any issues that arise with respect to:

1. The quality or integrity of the Company's reserves evaluations and reports.
2. The Company's compliance with legal or regulatory requirements related to the Company's reserves.

3. The qualifications, performance and independence of the Company's independent engineering consultants.

This Charter was implemented by the Board on December 8, 2014.

**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 "*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. In this Policy, "consultants" refers to consultants who are required by the Corporation to adhere to this Policy.
2. This Policy applies to any transactions in any securities of the Corporation, including options, restricted share units, 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.

Compliance Officers

The Chairman, CEO or Chief Financial Officer (each, a “**Compliance 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.

Requirement to Obtain Approval Before Trading

All directors, officers, employees and consultants must contact the Chairman, CEO or Chief Financial Officer to obtain permission before trading any securities of the Corporation (which includes the exercise of options). If a particular trade is approved but is not executed promptly (or, if a timeframe is specified by the Compliance Officer, within that timeframe), the trade must be re-approved by a Compliance Officer before it is completed. The Corporation may implement procedures in respect of the approvals required pursuant to this paragraph and such procedures may be changed from time to time. The Compliance Officer is not required to explain his or her decision not to approve a particular trade.

Reporting by 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.

Under Canadian securities law, "reporting insiders" are required to file insider reports as outlined below. The term "reporting insiders" is defined in National Instrument 55-104 Insider Reporting Requirements and Exemptions and will generally include the directors and officers of the Corporation. The definition is reproduced in Schedule “A” to this policy.

Initial Reports

Reporting insiders are required to file an “initial” insider report within ten days of the date on which the person became a reporting insider. An initial report is not required, however, when a person becomes a reporting insider if he/she has no direct or indirect beneficial ownership, control or direction over securities of the Corporation or any interest in, or right or obligation associated with, a “related financial instrument” involving a security of the Corporation.

“Related financial instrument” means (a) an instrument, agreement, security or exchange contract the value, market price or payment obligations of which are derived from, referenced to or based on the value, market price or payment obligations of a security, or (b) any other instrument, agreement or understanding that affects, directly or indirectly, a person's economic interest in respect of a security or an exchange contract.

Subsequent Reports

Reporting insiders of the Corporation are required to file insider trading reports within 5 days of a change in their beneficial ownership of, control or direction over (whether direct or indirect) any securities of the Corporation (this includes the grant or exercise or equivalent of options, restricted share units or other convertible securities) and related financial instruments involving a security of the Corporation.

Stock Options, Warrants, Restricted Share Units and Performance Shares

Reporting insiders are reminded that the grant or exercise (or equivalent) of an option, restricted share unit, warrant or performance share gives rise to reporting obligations and an insider report must be filed with respect to these matters within 5 days of the date such transaction takes place.

Filing

Reporting 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 reporting insiders themselves through the internet or through an agent. Reporting Insiders are referred to the internet website for SEDI at www.sedi.ca. As well, reporting insiders are encouraged to contact the Corporation's legal counsel, DuMoulin Black LLP, with respect to any questions about filing through the SEDI system.

Prohibition on Hedging

Directors, officers, employees and consultants of the Corporation are prohibited from purchasing related financial instruments (as defined above) involving a security of the Corporation, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, covered calls or units of exchange funds, that are designed to hedge or offset a decrease in the market value of securities of the Corporation.

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 results of exploration and development activities;
- significant operational events or incidents;
- changes in share ownership that may affect control of the Corporation; or

- 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 generally be considered public; i.e., no longer non-public, after the close of trading on the second 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.

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 director, officer, employee or consultant may trade in securities of the Corporation except with the prior approval of a Compliance Officer, as set out above.
- 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 and with the prior approval of a Compliance Officer. 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. In such circumstances, the feasibility of having such parties enter into a confidentiality agreement with the Corporation should be considered.

The requirements of this policy are in addition to applicable obligations of confidentiality (contractual or otherwise), which may impose even greater restrictions.

- 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.

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. This obligation is in addition to the requirement to obtain the approval of a Compliance Officer prior to any trade in securities of the Corporation, as set out above.

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.

Confidentiality of Blackout Periods

No insider, employee or consultant may disclose to anyone outside the Corporation 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.

Enforcement

Penalties under Securities Laws

The consequences of prohibited insider trading or tipping can be severe. A contravention of the insider trading and reporting rules can result in penalties including possible civil damages to sellers or purchasers of shares, imprisonment for up to three years and fines equal to an amount that is: (a) not less than any profits made by any person as a result of the contravention; and (b) not more than the greater of \$3 million and an amount equal to triple any profit made by any person because of the contravention. In addition, a cease trade order may be issued against the offending person and late filing fees of \$50 per day for each transaction that is reported late can be imposed.

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 on May 2, 2014.

SCHEDULE "A"

An insider of a reporting issuer will be a "reporting insider" if the insider is:

- a) the CEO, CFO or COO of the reporting issuer, of a "significant shareholder" of the reporting issuer or of a "major subsidiary" of the reporting issuer (as such terms are defined below);
- b) a director of the reporting issuer, of a significant shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;
- c) a person or company responsible for a principal business unit, division or function of the reporting issuer;
- d) a significant shareholder of the reporting issuer;
- e) a management company that provides significant management or administrative services to the reporting issuer or a "major subsidiary" of the reporting issuer, and the CEO, CFO, COO and every director of the management company, and every significant shareholder of the management company;
- f) an individual performing functions similar to the functions performed by any of the insiders described in paragraphs (a) to (e);
- g) the reporting issuer itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; or
- h) any other insider that
 - i. in the ordinary course receives or has access to information as to material facts or material changes concerning the reporting issuer before the material facts or material changes are generally disclosed; and
 - ii. directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the reporting issuer.

In determining whether an insider satisfies the "significant influence" criterion, the insider should consider whether he or she exercises, or has the ability to exercise, significant influence over the business, operations, capital or development of the issuer that is reasonably comparable to that exercised by one or more of the enumerated positions in the definition of "reporting insider".

For the purposes of the definition of a reporting issuer, a subsidiary of an issuer will be considered a "major subsidiary" of a reporting issuer if the assets or revenues of the subsidiary represent 30% or more of the consolidated assets or revenues of the reporting issuer on its

most recent financial statements. This requirement will increase the threshold required to be considered a "major subsidiary" from the current threshold of 20%.

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 govern or 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.
- 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.

CONFLICTS OF INTEREST

Each Covered Person has an obligation to act in the best interests of the Company and is expected to avoid engaging in activities that create an actual or apparent conflict between his or her personal interests and the interests of the Company. A conflict of interest may arise when a Covered Person takes an action or has a personal interest that may adversely influence his or her objectivity or the exercise of sound, ethical business judgment. For example, a conflict of interest could exist if a Covered Person:

- Accepts a gift, service, payment or other benefit of more than nominal value from a competitor, supplier, or customer of the Company, or any entity or organization with which the Company does business or seeks to do business; provided normal course of business gatherings sponsored by customers or suppliers shall be permissible (questions regarding what constitutes "nominal" and "normal course of business" for the purposes of the foregoing must be addressed to a Compliance Officer);
- Lends to, borrows from, or has a material interest (equity or otherwise) in a competitor, supplier, or customer of the Company, or any entity or organization with which the Company does business or seeks to do business;
- Accepts compensation (in any form) for services performed for the Company from any source other than the Company, such as from a shareholder or a joint venture partner;
- Serves as a director, officer, partner, consultant, or in any other significant role, in any competitor, supplier, or customer of the Company, or any entity or organization with which the Company does business or seeks to do business;
- Acts as a broker, finder or other intermediary for the benefit of a third party in transactions involving the Company or its interests;
- Knowingly competes with the Company or diverts a business opportunity from the Company; or
- Conducts significant outside business activity that precludes the Covered Person's ability to devote appropriate time and attention to his or her responsibilities with the Company.

Each of the foregoing actions is prohibited, except (i) in the case of directors or executive officers of the Company, with the express approval of the Board and (ii) in all other instances, with the express approval of a Compliance Officer. Each Covered Person has an obligation to promptly notify a Compliance Officer in writing of any situation that may involve an actual or apparent conflict of interest, including any conflict that is not specifically listed above. In particular, each Covered Person is obligated to report potential conflict of interest situations that may arise with respect to members of the Covered Person's family, including the person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares the person's home.

CORPORATE OPPORTUNITIES

Covered Persons are prohibited from (i) taking for themselves personally opportunities that properly belong to the Company or are discovered through the use of corporate property, information or position, (ii) using corporate property, information or position for personal gain and (iii) competing with the Company. Covered Persons owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

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 must promptly bring to the attention of a Compliance Officer any material information of which that Covered Person may become aware that affects the disclosures 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 in securities of the Company.

In addition, each Covered Person must promptly bring to the attention of a Compliance Officer any information that the Covered Person may have concerning (i) significant deficiencies in the design or operation of internal control over financial reporting that could adversely affect the Company's ability to record, process, summarize and report financial data or (ii) any fraud, whether or not material, that involves management, directors, or other Covered Persons who have a significant role in the Company's financial reporting, disclosures, or internal controls.

ENCOURAGING THE REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR

When there is any ambiguity about the proper ethical or legal action to take in a particular situation, Company employees and other Covered Persons should talk to supervisors, managers or other appropriate personnel. Covered Persons must promptly report potential violations of applicable laws, rules, regulations or this Code ("Potential Violations") to a Compliance Officer. Potential Violations of applicable legal, regulatory and stock exchange requirements relating to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud, or internal policies relating to those matters ("Potential Accounting Violations"), should be made pursuant to the Company's Whistleblower Policy. Reports of Potential Violations may be submitted to the Compliance Officer anonymously if the employee so desires. The Company will not allow retaliation for reports of Potential Violations that are made in good faith.

COMPLIANCE AND ENFORCEMENT

The "Compliance Officer" is (i) in respect of accounting, financial or auditing matters the Chairman of the Company's Audit Committee; and (ii) in respect of corporate governance, code of business conduct and ethics and other Potential Violations the Chairman of the Company's Corporate Governance Committee.

CONFIDENTIAL REPORTING

Anyone may report a Potential violation, Potential Accounting Violation or other reportable matter on a confidential and, at the election of the reporting person, anonymous basis, by delivering a report in writing by e-mail or regular mail as set out below:

If by Email:

Addressed to:

Chairman of the Audit Committee at eric.brown@shaw.ca

And to:

Chairman of the Corporate Governance Committee at fnicholson@bnkpetroleum.com

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.

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).

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.

**BNK PETROLEUM INC.
STOCK OPTION PLAN (TSX)**

1. PURPOSE OF THE PLAN

The Company hereby establishes a stock option plan for directors, officers, Employees, Management Company Employees and Consultants (as such terms are defined below) of the Company and its subsidiaries (collectively “**Eligible Persons**”), to be known as the “**Stock Option Plan**” (the “**Plan**”). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to ten (10) years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price at the time of grant.

2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- 2.1 “**Associate**” means an “Associate” as defined in the Exchange Policies.
- 2.2 “**Board**” means the Board of Directors of the Company.
- 2.3 “**Change of Control**” means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.
- 2.4 “**Company**” means BNK Petroleum Inc. and its successors.
- 2.5 “**Consultant**” means an individual or Consultant Company, other than an Employee or a Director, that:
- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the company or a subsidiary of the Company, other than services in relation to a distribution;
 - (b) provides the services under a written contract with the Company or a related entity; and
 - (c) spends or will spend a significant amount of time and attention on the affairs of the Company or a subsidiary of the Company.
- 2.6 “**Consultant Company**” means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- 2.7 “**Disability**” means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:

- (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
 - (b) acting as a director or officer of the Company or its subsidiaries.
- 2.9 **“Employee”** means a persons who would be considered an ‘employee’ under the Income Tax Act (Canada), or who works full-time or for a specified number of hours per week on a continuing regular basis and is subject to the same control and direction by the Company or a subsidiary of the company over the details and methods of work as an employee of the company, but for whom tax and other deductions are not made at source.
- 2.10 **“Employment Agreement”** means any agreement between the Company or any subsidiary of the Company and any Employee entered into in connection with the employment or engagement of the Employee.
- 2.12 **“Exchanges”** means the TSX and, if applicable, any other stock exchange on which the Shares are listed.
- 2.13 **“Expiry Date”** means the later of the date set by the Board under section 3.1 of the Plan, as the last date on which an Option may be exercised and, if such date falls during or within 5 trading days after the end of a period during which pursuant to the policies of the Company trading in Company’s shares is prohibited (a “black out period”), the date that is 10 trading days following the date on which such black out period ends.
- 2.14 **“Grant Date”** means the date specified in an Option Agreement as the date on which an Option is granted.
- 2.15 **“Insider”** means an “Insider” as defined in the TSX Policies, other than a person who is an insider solely by virtue of being a director or senior officer of a subsidiary of the Company.
- 2.16 **“Investor Relations Activities”** has the meaning ascribed to it in the Securities Act;
- 2.17 **“Joint Actor”** means a person acting “jointly or in concert with” another person as that phrase is interpreted in section 96 of the Securities Act.
- 2.18 **“Management Company Employee”** means an individual employed by a Person providing management services to the Company, but excluding Persons who are providing Investor Relations Services.
- 2.19 **“Market Price”** of Shares at any Grant Date means the last closing price per Share at the time of grant of the option, or if the Shares are not listed on any stock exchange, “Market Price” of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- 2.20 **“Option”** means an option to purchase Shares granted pursuant to this Plan.
- 2.21 **“Option Agreement”** means an agreement, substantially in the form attached hereto as Schedule “A”, with such additions there to or modifications thereof as may be approved by the

Company prior to or at the time an option is granted, whereby the Company grants to an Optionee an Option.

- 2.22 “**Optionee**” means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.23 “**Option Price**” means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.
- 2.24 “**Option Shares**” means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.25 “**Plan**” means this Stock Option Plan.
- 2.26 “**Shares**” means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, “Shares” shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.27 “**Securities Act**” means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.28 “**TSX Policies**” means the policies included in the TSX Company Manual and “TSX Policy” means any one of them.
- 2.29 “**Unissued Option Shares**” means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- 2.30 “**U.S. Act**” means the *Securities Act* of 1933 of the United States, as amended.
- 2.31 “**Vested**” means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

3. GRANT OF OPTIONS

3.1 Option Terms

The Board may from time to time authorize the issue of Options to Eligible Persons. The Option Price under each Option shall be not less than the Market Price at the time of grant. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than **ten (10)** years after the Grant Date. Options shall not be assignable (or transferable) by the Optionee.

3.2 Limits on Shares Issuable on Exercise of Options

- (a) The number of Shares reserved for issuance under the Plan and all of the Company’s other previously established or proposed share compensation arrangements in aggregate shall not exceed 10% of the total number of issued and outstanding Shares at the Grant Date on a non-diluted basis; and

- (b) The number of Shares issuable to Insiders at any time under all security based compensation arrangements shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis;
- (c) The number of Shares issued to Insiders as a group within a one year period under all security based compensation arrangements shall not exceed 10% of the total number of issued and outstanding Shares as at the end of such one year period; and
- (d) Subject to section 3.3, after June 3, 2011 the equity award value of Options granted each year to any one non-employee director, together with the equity award value of restricted share units granted to such director pursuant to the Company's restricted share unit plan in such year, is limited to \$100,000.

If Options are exercised, or are surrendered, terminate or expire without being exercised in whole or in part, the Shares which were the subject of such Options may again be made subject to an Option.

3.3 New Non-Employee Directors

The limitation in section 3.2(d) does not apply in respect of an initial Option grant to newly appointed or elected non-employee directors.

3.4 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time, in the manner and subject to the terms and condition set out in the Plan and in the Option Agreement applicable to that Optionee. For stock options to Employees, Consultants, Consultant Companies or Management Company Employees, the Company is representing herein and in the applicable Stock Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

4. EXERCISE OF OPTION

4.1 When Options May be Exercised

Subject to sections 4.3 and 4.4, an Option may be exercised to purchase any number of Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to midnight local time in the City of Vancouver, British Columbia Canada, on the Expiry Date and shall not be exercisable thereafter.

4.2 Manner of Exercise

The Option shall be exercisable by delivering either:

- (a) to the Company a notice specifying the number of Shares in respect of which the Option is exercised, together with payment in full of the Option Price for each such Share. Upon notice and payment there will be a binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall

constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised; or

- (b) to the duly appointed agent of the Company a notice of cashless exercise addressed to the Company specifying the number of Options to be exercised for cash. An Optionee who selects the cashless exercise of Options is deemed to have assigned to Macquarie Private Wealth Inc., or such other agent as the Company may appoint from time to time to facilitate the cashless exercise of Options, such Optionee's right to receive Option Shares and is deemed to have released the Company from any further obligation to issue Option Shares to such Optionee in respect of such Options exercised in exchange for cash.

4.3 Vesting of Option Shares

The Directors, subject to the policies of the Exchanges, may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Unless otherwise specified by the Board at time of granting an Option, and subject to the other limits on Option grants set out in section 3.2 hereof, all Options granted under the Plan shall vest and become exercisable in full upon grant.

4.4 Termination of Employment

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

- (a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date;

unless a longer period is provided pursuant to the term of an Employment Agreement.

- (b) Termination For Cause

If the Optionee, or in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause, pursuant to the terms of any applicable contract, or, where there is no contract, as that term is interpreted by the courts of British Columbia, any outstanding and unexercised Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

- (c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to (i) the termination of any

agreement under which the Optionee provides services to the Company or a subsidiary of the Company, or (ii) his or her termination by the Company otherwise other than for cause, or (iii) his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person, unless a longer period is provided pursuant to the term of an Employment Agreement.

For greater certainty, subject to the terms of an Employment Agreement, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this paragraph 4.4 occurred, shall not be or become vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

4.5 Effect of a Take-Over Bid

If a *bona fide* offer (an “**Offer**”) for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Option Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then with the consent of the Company the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to paragraph 4.3 shall be reinstated. If any Option Shares are returned to the Company under this paragraph 4.5, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

4.6 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Directors shall give each Optionee as much notice as reasonably practicable in the circumstances of the acceleration of the Options under this section, except that not less than 5 business days notice is required and more than 20 days notice is not required.

4.7 Effect of a Change of Control

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges, if necessary.

4.8 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee, or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

4.9 Shares Not Acquired

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired may be made the subject of a further Option pursuant to the provisions of the Plan.

5. SECURITIES LAWS OF THE UNITED STATES OF AMERICA

5.1 Securities Laws of the U.S.

Neither the Options which may be granted pursuant to the provisions of this Plan nor the Shares which may be purchased pursuant to the exercise of Options have been registered under the US Act, or under any securities law of any state of the United States of America. Accordingly, any Optionee who is granted an Option in a transaction which is subject to the US Act or the securities laws of any state of the United States of America shall represent, warrant, acknowledge and agree in the agreement containing the Option granted to the Optionee that:

- (a) the Optionee is acquiring the Option and any Shares acquired upon the exercise of such Option as principal and for the account of the Optionee;
- (b) in granting the Option and issuing the Shares to the Optionee upon the exercise of such Option, the Company is relying on the representations and warranties of the Optionee contained in the agreement relating to the Option to support the conclusion of the Company that the granting of the Option and the issue of Shares upon the exercise of such Option do not require registration under the U.S. Act or to be qualified under the securities laws of any state of the United States of America;
- (c) each certificate representing Shares issued upon the exercise of such Option shall bear the following legends:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE

TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) WITHIN THE UNITED STATES (1) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, (2) IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT OR (3) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. PROVIDED THAT THE CORPORATION IS A “FOREIGN ISSUER” WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT AT THE TIME OF SALE, A NEW CERTIFICATE BEARING NO LEGEND MAY BE OBTAINED FROM THE CORPORATION’S TRANSFER AGENT UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE TRANSFER AGENT AND THE CORPORATION TO THE EFFECT THAT SUCH SALE IS BEING MADE IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.”

6. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

6.1 Share Reorganization

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a “Share Reorganization”) then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
 - (i) the Option Price in effect immediately before that effective date or record date; and
 - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

6.2 Special Distribution

Subject to the prior approval of the Exchanges, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board of Directors of the Company has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a “Special Distribution”), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

6.3 Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Company’s undertaking and assets become the property of another corporation;

(any such event being herein called a “Corporate Reorganization”) the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Directors.

6.4 Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company’s auditor, or, if they decline to so act, any other firm of Chartered Accountants that the Directors may designate and

who will have access to all appropriate records, whether maintained by the Company or an agent appointed by the Company, and such determination will be binding upon the Company and all Optionees.

6.5 Regulatory Approval

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of paragraphs 5.1, 5.2 or 5.3 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

7. MISCELLANEOUS

7.1 Right to Employment or Engagement

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or engagement or to continued employment or engagement with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

7.2 Necessary Approvals

The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval shall only be exercised upon the receipt of such approval. Disinterested shareholder approval (as required by the Exchanges) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

7.3 Administration of the Plan

The Directors shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in section 6.4, the interpretation and construction of any provision of the Plan by the Directors shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company, which officers shall have the authority to appoint an agent or agents to assist in the administration of the Plan, and all costs in respect thereof shall be paid by the Company.

7.4 Income Taxes

As a condition of and prior to participation in the Plan or any exercise of any Option granted under the Plan any Optionee shall on request authorize the Company directly or through a duly appointed agent, in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.

7.5 Amendment and Discontinuance of the Plan and Options

- (a) The Board may, at any time and from time to time, amend, suspend or terminate the Plan and securities granted thereunder without shareholder approval, provided that no such amendment, suspension or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or the consent or deemed consent of an Optionee where such amendment, suspension or termination materially prejudices the rights of that Optionee.
- (b) Notwithstanding the provisions of section 7.5(a), the Board may not, without the approval of the shareholders of the Company, make amendments to the Plan for any of the following purposes:
 - (i) to increase the maximum percentage of Shares that may be issued pursuant to Options granted under the Plan as set out in section 3.2;
 - (ii) to reduce the Option Price of Options;
 - (iii) to extend the Expiry Date of Options;
 - (iv) to increase the non-employee director participation limit in section 3.2(d);
 - (v) to permit Options to be transferable or assignable other than for normal estate settlement purposes; and
 - (vi) to amend the provisions of this section 7.5(b).
- (c) In addition to the changes that may be made pursuant to sections 6.1 to 6.3 inclusive, the Board may, at any time and from time to time, without the approval of the shareholders of the Company, amend any term of any outstanding Option (including, without limitation, the Option Price, vesting and expiry of the Option), provided that:
 - (i) any required approval of any regulatory authority or stock exchange is obtained;
 - (ii) if the amendments would reduce the Exercise Price or extend the Expiry Date of Options, approval of the shareholders of the Company must be obtained;
 - (iii) the Board would have had the authority to initially grant the Option under the terms so amended; and
 - (iv) the consent or deemed consent of the Optionee is obtained if the amendment would materially prejudice the rights of the Optionee under the Option.

7.6 Form of Notice

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

7.7 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

7.8 Compliance with Applicable Law

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

7.9 No Assignment

No Optionee may assign any of his or her rights under the Plan or any option granted thereunder.

7.10 Rights of Optionees

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

7.11 Conflict

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

7.12 Governing Law

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

7.13 Time of Essence

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

7.14 Entire Agreement

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

Amendments to this Stock Option Plan were approved by the Board of Directors on May 9, 2012 and August 10, 2013, and by the shareholders of the Company on June 3, 2011.

SCHEDULE "A"
BNK PETROLEUM INC.

STOCK OPTION PLAN - OPTION AGREEMENT

This Option Agreement is entered into between BNK Petroleum Inc. ("the Company") and the Optionee named below pursuant and subject to the terms of the Company Stock Option Plan, (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on ●, 20● (the "Grant Date");
2. «Name» (the "Optionee");
3. was granted the option (the "Option") to purchase «Number» Common Shares (the "Option Shares") of the Company;
4. for the price (the "Option Price") of Cdn. \$«Price» per share;
5. of which 1/3 shall vest and become exercisable immediately; 1/3 shall vest and become exercisable on ●; and 1/3 shall vest and become exercisable on ●;
6. terminating on ●, 20● (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

By signing this Option Agreement, the Optionee:

[NTD: REMOVE SUBPAR (a)(i) to (iv) FOR NON US OPTIONEES]

- (a) represents and warrants to the Company that:
 - (i) the Optionee's place of residence is as set out in this Option Agreement;
 - (ii) the Optionee is acquiring the Option and any Option Shares acquired upon the exercise of such Option as principal and for the account of the Optionee;
 - (iii) in granting the Option and issuing the Option Shares to the Optionee upon the exercise of such Option, the Company is relying on the representations and warranties of the Optionee contained in this Option Agreement to support the conclusion of the Company that the granting of the Option and the issue of Option Shares upon the exercise of such Option do not require registration under the U.S. Securities Act (as defined below) or to be qualified under the securities laws of any state of the United States of America; and
 - (iv) if the Optionee has elected to take physical delivery of the Option Shares, each certificate representing Option Shares issued upon the exercise of such Option shall bear the following legends:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) WITHIN THE UNITED STATES (1) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, (2) IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT

OR (3) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. PROVIDED THAT THE COMPANY IS A "FOREIGN ISSUER" WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT AT THE TIME OF SALE, A NEW CERTIFICATE BEARING NO LEGEND MAY BE OBTAINED FROM THE COMPANY'S TRANSFER AGENT UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE TRANSFER AGENT AND THE COMPANY TO THE EFFECT THAT SUCH SALE IS BEING MADE IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT."

- (b) acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

Acknowledgement – Personal Information

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to all regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (b) the collection, use and disclosure of such personal information by the all regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the _____ day of ●, 20●.

BNK PETROLEUM INC.

Signature

«NAME»

Print Name

«ADDRESS»

Per: _____
Authorized Signatory

BNK PETROLEUM INC.
(THE "COMPANY")
RESTRICTED SHARE UNIT PLAN

1. **GENERAL**

1.1 **Purpose**

This Restricted Share Unit Plan has been established to provide a greater alignment of interests between Designated Participants and shareholders of the Company, and to provide a compensation mechanism for Designated Participants that appropriately reflects the responsibility, commitment and risk accompanying their roles. The Plan is also intended to assist the Company to attract, retain and motivate Designated Participants with experience and ability, and to allow Designated Participants to participate in the success of the Company.

2. **INTERPRETATION**

2.1 **Definitions**

In this Plan, the following terms shall have the following meanings:

"**Acquirer**" has the meaning ascribed thereto in Section 6.3(a);

"**Affiliate**" has the meaning ascribed thereto in the TSX Company Manual;

"**Applicable Law**" means any applicable law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder, and the TSX Rules;

"**Associate**" means an associate as defined in the *Securities Act* (Ontario);

"**Beneficiary**" means any person designated by a Designated Participant by written instrument filed with the Board to receive any amount payable in respect of Restricted Share Units in the event of the Designated Participant's death or, failing any such effective designation, the Designated Participant's estate;

"**Blackout Period**" means, in respect of a Designated Participant, a self-imposed interval of time during which the Company has determined pursuant to applicable securities laws or any policy of the Company that no Designated Participant may trade any securities of the Company;

"**Board**" means the Board of Directors of the Company;

"**Cause**" means any act, omission or course of conduct recognized as cause for dismissal under Applicable Law, including, without limitation, embezzlement, theft, fraud, wilful failure to follow any lawful directive of the Company and wilful misconduct detrimental to the interests of the Company;

"Change of Control" means:

- (a) the acquisition, directly or indirectly, by any Person or group of Persons acting jointly or in concert, as such terms are defined in Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*, of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such person or persons acting jointly or in concert, constitutes for the first time in the aggregate 50% or more of the outstanding common shares of the Company; or
- (b) the removal, by extraordinary resolution of the shareholders of the Company, of more than 50% of the then incumbent members of the Board, or the election of a majority of the directors comprising the Board who were not nominated by the Company's incumbent Board at the time immediately preceding such election; or
- (c) consummation of a sale of all or substantially all of the assets of the Company; or
- (d) the consummation of a reorganization, plan of arrangement, merger or other transaction which has substantially the same effect as (a) to (c) above.

"Change of Control Date" means the date on which any Change of Control becomes effective;

"Common Share" means a common share of the Company eligible to be voted at a meeting of shareholders of the Company;

"Company" means BNK Petroleum Inc. and its successors;

"Control", when applied to the relationship between a Person and a company, means:

- (a) the beneficial ownership by that Person and its Related Entities at the relevant time of securities of that company to which are attached more than 50 per cent of the votes that may be cast to elect directors, otherwise than by way of security only; and
- (b) the votes carried by such securities being entitled, if exercised, to elect a majority of the Board;

"Designated Participant" means a director, executive officer or employee of the Company or of a Related Entity of the Company or a person designated by the Company who provides services to the Company or a Related Entity of the Company to whom Restricted Share Units are granted pursuant to Section 4.1 and the Permitted Assigns of each such director, executive officer, employee or person designated by the Company;

"Disability" means any disability with respect to a Designated Participant, which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Designated Participant from:

- (a) being employed or engaged by the Company, its Subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its Subsidiaries;

- (b) acting as a director or officer of the Company or its Subsidiaries; or
- (c) engaging in any substantial gainful activity by reason of any medically determinable mental or physical impairment;

"Good Reason" means "Good Reason" or "Good Cause" as defined in the employment agreement, if any, between the relevant Designated Participant and the Company or a Subsidiary of the Company and, if there is no such definition or agreement, "Good Reason" will arise within 12 months following a Change of Control where the Designated Participant was induced by the actions of the employer to resign or terminate his employment, other than on a purely voluntary basis, as a result of the occurrence of one or more of the following events without the Designated Participant's written consent, provided that such resignation shall only be designated as for "Good Reason" if the Designated Participant has provided 30 days' written notice of such occurrence to the employer immediately upon occurrence of such an event and the employer has not corrected such occurrence within such 30-day period:

- (a) a materially adverse change in the Designated Participant's position, duties, or responsibilities other than as a result of the Designated Participant's physical or mental incapacity which impairs the Designated Participant's ability to materially perform the Designated Participant's duties or responsibilities as confirmed by a physician;
- (b) a materially adverse change in the Designated Participant's reporting relationship that is inconsistent with the Designated Participant's title or position;
- (c) a material reduction by the employer of the base salary of the Designated Participant;
- (d) a material reduction by the employer in the aggregate level of benefits made available to the Designated Participant; or
- (e) the relocation by the employer of the Designated Participant's principal office to a location that is more than 50 kilometres from the Designated Participant's existing principal office;

"Grant Date" means with respect to particular Restricted Share Units, the date a Participant received a grant of such Restricted Share Units;

"Grant Notice" means with respect to particular Restricted Share Units, a notice substantially in the form of Schedule A and containing such other terms and conditions relating to the grant of such Restricted Share Units as the Board may prescribe;

"Insider" means:

- (a) an insider as defined in the *Securities Act* (Ontario) other than a person who is an insider solely by virtue of being a director or senior officer of a Subsidiary; and
- (b) an Associate of any person who is an insider under subsection (i);

"Market Value" of a Vested Restricted Share Unit or a Common Share on any date means the volume weighted average trading price of the Common Shares on the TSX (or any other stock exchange on which the majority of the volume of trading of the Common Shares has occurred over the relevant period) over the five Trading Days immediately preceding such date; provided, however, if the Common Shares are not listed and posted for trading on any stock exchange at the time such calculation is to be made, the Market Value per Common Share shall be the market value of a Common Share as determined by the Board acting in good faith;

"NI 45-106" means National Instrument 45-106 Prospectus and Registration Exemptions of the Canadian Securities Administrators;

"Permitted Assign" has the meaning ascribed thereto in Section 2.22 of NI 45-106;

"Person" includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government;

"Plan" means this Restricted Share Unit Plan, including any schedules or appendices hereto, all as amended, restated, supplemented or otherwise modified from time to time;

"Redemption Date" for a Vested Restricted Share Unit means the date that is 5 business days following the Vesting Date;

"Related Entity" means, for the Company, a Person that controls or is controlled, directly or indirectly, by the Company including, for greater certainty, its Subsidiaries, or that is controlled by the same Person that controls the Company;

"Restricted Share Unit" means a right granted to a Designated Participant to receive payment in the form of Common Shares in accordance with the provisions of the Plan;

"Restricted Share Unit Account" has the meaning ascribed thereto in Section 4.7;

"Retirement" means the retirement of the Designated Participant from employment with the Company or a Related Entity of the Company, and "retires" shall have a corresponding meaning. The determination of whether a Designated Participant has retired shall be at the sole discretion of the Board;

"security based compensation arrangement" shall have the meaning ascribed to that term in the TSX Rules;

"share certificate" means a share certificate or other proper evidence of issuance of Common Shares;

"Subsidiary" means any corporation or company or other Person of which outstanding securities to which are attached more than 50 per cent of the votes that may be cast to elect directors (or equivalent) thereof are held (provided that such votes are sufficient to elect a majority of such directors (or equivalent)), other than by way of security only, by or for the benefit of the Company and/or by or for the benefit of any other corporation or

company in like relation to the Company, and includes any corporation or company in like relation to a Subsidiary;

"Trading Day" means any day on which the TSX (or any other stock exchange on which the majority of the volume of trading of Common Shares occurs on the relevant day) is open for the trading of the Common Shares;

"TSX" means the Toronto Stock Exchange;

"TSX Rules" means the applicable rules and regulations of the TSX;

"Vested Restricted Share Units" has the meaning ascribed thereto in Sections 5.1 and 5.2; and

"Vesting Date" means each date on which Restricted Share Units granted to a Designated Participant, and any dividend equivalent Restricted Share Units in respect of such Restricted Share Units, shall vest as determined by the Board, in its sole discretion, in connection with such grant, or as set out in the Grant Notice relating to such grant.

2.2 **Number and Gender**

This Plan shall be read with all changes in number and gender required by the context.

2.3 **Severability**

If any provision of the Plan is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part of any provision thereof.

2.4 **Headings, Sections, Schedules**

Headings used in the Plan are for reference purposes only and do not limit or extend the meaning of the provisions of the Plan. A reference to a Section or Schedule shall, except where expressly stated otherwise, mean a Section or Schedule of the Plan, as applicable.

2.5 **References to Statutes, etc.**

Any reference to a statute, regulation, rule, instrument or policy statement shall refer to such statute, regulation, rule, instrument or policy statement as it may be amended, replaced or re-enacted from time to time.

2.6 **Currency**

Unless the context otherwise requires or the Board determines otherwise, all references in the Plan to currency shall be to lawful money of Canada.

3. **ADMINISTRATION**

3.1 **Administration of the Plan**

Subject to Applicable Law, this Plan will be administered by the Board with the assistance of appropriate officers of the Company, and the Board has sole and complete authority, in its discretion, to:

- (a) establish, amend and rescind such rules and regulations, and make such interpretations and determinations and take such other actions, as it deems necessary or desirable for the administration of the Plan;
- (b) exercise rights reserved to the Company under the Plan;
- (c) determine vesting terms and conditions for Restricted Share Units granted under the Plan; and
- (d) make all other determinations and take all other actions as it considers necessary or advisable for the implementation and administration of the Plan.

Any interpretation and determination made, and other action taken, by the Board shall be conclusive and binding on all parties concerned, including, without limitation, the Company and Designated Participants and, if applicable, their Beneficiaries and legal representatives.

3.2 **Eligibility**

Any individual who at the relevant time is a Designated Participant is eligible to participate in the Plan. The Company reserves the right to restrict the eligibility or otherwise limit the number of persons eligible for participation in the Plan at any time. Eligibility to participate does not confer upon any individual a right to receive an award of Restricted Share Units pursuant to the Plan.

3.3 **Taxes and Other Source Deductions**

As a condition of and prior to participation in the Plan, each Designated Participant authorizes the Company to withhold from any amount otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan. The Company shall also have the right in its sole discretion to satisfy any such liability for withholding or other required deduction amounts by requiring the Designated Participant to complete a sale in respect of such number of Common Shares, which have been issued and would otherwise be delivered to the Designated Participant under the Plan, and any amount payable from such sale will first be paid to the Company to satisfy any liability for withholding. The Company may require a Designated Participant, as a condition of participation in the Plan, to pay or reimburse the Company for any cost incurred by the Company as a result of the participation by the Designated Participant in the Plan.

Each Designated Participant or any Beneficiary, as the case may be, is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such Designated Participant in connection with the Plan (including any

taxes and penalties under any Applicable Law), and neither the Company nor any Affiliate shall have any obligation to indemnify or otherwise hold such Designated Participant or Beneficiary harmless from any or all of such taxes or penalties.

3.4 **Exemption from Plan Participation**

Notwithstanding any other provision of the Plan, if a Designated Participant is a resident in a jurisdiction in which an award of Restricted Share Units under the Plan may be considered to be income that is subject to taxation at the time of such award, the Designated Participant may elect not to participate in the Plan by providing written notice to the Secretary of the Company by the end of the calendar year prior to the year in which the affected compensation will be earned.

3.5 **Appointment of Beneficiaries**

Subject to the requirements of Applicable Law, a Designated Participant may designate in writing a Beneficiary to receive any benefits that are payable under the Plan upon the death of such Designated Participant and, from time to time, change such designation in writing. Such designation or change shall be in such form, and executed and delivered in such manner, as the Board may from time to time determine.

3.6 **Total Common Shares Subject to Restricted Share Units**

- (a) The Common Shares which may be made subject to issuance under Restricted Share Units granted under the Plan from time to time shall, subject to Section 4.6, not exceed 1.5% of the number of issued and outstanding Common Shares from time to time calculated on a non-diluted basis.
- (b) For greater certainty, to the extent Restricted Share Units are cancelled or redeemed, the Common Shares subject to such Restricted Share Units shall be added back to the number of Common Shares reserved for issuance under the Plan and such Common Shares will again become available for Restricted Share Unit grants under the Plan.

4. **RESTRICTED SHARE UNIT GRANTS**

4.1 **Grants of Restricted Share Units**

Subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Restricted Share Units to such Designated Participant as may be determined by the Board in its sole discretion with effect from such dates as the Board may specify.

4.2 **Vesting Provisions**

- (a) The Board shall, in its sole discretion, determine the Vesting Dates and the proportion of Restricted Share Units to vest on each such Vesting Date applicable to each grant of Restricted Share Units at the time of such grant and shall specify such Vesting Dates in the Grant Notice relating to such grant.

- (b) Notwithstanding Section 4.2(a) above, unless otherwise specified herein or determined by the Board:
- (i) Restricted Share Units granted to a Designated Participant under Section 4.1 shall vest, as to one-third (1/3) of the number of such Restricted Share Units, on each of the first, second and third anniversaries of the Grant Date; and
 - (ii) Dividend equivalent Restricted Share Units received by a Designated Participant under Section 4.5 shall vest with the Restricted Share Units in respect of which they were credited to the Designated Participant's Restricted Share Unit Account.

4.3 **Grant Notice**

Each grant of Restricted Share Units will be evidenced by a Grant Notice. The Grant Notice will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Board may direct. Any one officer of the Company is authorized and empowered to execute and deliver, for and on behalf of the Company, a Grant Notice to each Designated Participant.

4.4 **No Certificates**

No certificates shall be issued with respect to Restricted Share Units.

4.5 **Dividend Equivalent Restricted Share Units**

Whenever a dividend is paid on the Common Shares, additional Restricted Share Units will be credited to a Designated Participant's Restricted Share Unit Account in accordance with this Section 4.5. The number of such additional Restricted Share Units to be so credited will be calculated by dividing the dividend that would have been paid to such Designated Participant if the Restricted Share Units recorded in the Designated Participant's Restricted Share Unit Account as at the record date for the dividend had been Common Shares, whether or not vested, by the Market Value on the Trading Day immediately preceding the date on which the Common Shares began to trade on an ex-dividend basis, rounded down to the next whole number of Restricted Share Units. No fractional Restricted Share Units will thereby be created. The foregoing does not obligate the Company to pay dividends on Common Shares and nothing in this Plan shall be interpreted as creating such an obligation.

4.6 **Maximum Securities**

Notwithstanding Section 3.6:

- (a) the number of Common Shares issuable to Insiders, at any time, under all security based compensation arrangements of the Company including, without limitation, this Plan, shall not exceed 10% of the issued and outstanding Common Shares calculated on a non-diluted basis;

- (b) the number of Common Shares issued to Insiders, within any one year period, under all security based compensation arrangements of the Company including, without limitation, this Plan, shall not exceed 10% of the issued and outstanding Common Shares calculated on a non-diluted basis; and
- (c) the equity award value of Restricted Share Units granted each year to any one non-employee director, together with the equity award value of options to purchase Common Shares granted pursuant to the Company's stock option plan in such year, is limited to \$100,000, provided that the limitation in this section (c) does not apply in respect of an initial grant of Restricted Share Units to newly appointed or elected non-employee directors.

4.7 **Restricted Share Unit Account**

An account, to be known as a "**Restricted Share Unit Account**", shall be maintained by the Company for each Designated Participant and shall be credited from time to time with such Restricted Share Units as are granted to the Designated Participant and any dividend equivalent Restricted Share Units credited in respect of such Restricted Share Units.

4.8 **Statement of Account**

The Company shall deliver to each Designated Participant to whom Restricted Share Units have been granted, on an annual basis, a statement reflecting the status of the Restricted Share Unit Account maintained for such Designated Participant.

4.9 **Cancellation of Restricted Share Units that Fail to Vest or Are Redeemed**

Restricted Share Units that fail to vest in accordance with Section 5 of the Plan, or that are redeemed in accordance with Section 6 of the Plan, shall be cancelled and shall cease to be recorded in the Restricted Share Unit Account of the relevant Designated Participant as of the date on which such Restricted Share Units fail to vest or are redeemed, as the case may be, and the Designated Participant will have no further right, title or interest in or to such Restricted Share Units.

5. **VESTING OF RESTRICTED SHARE UNITS**

5.1 **Vesting**

Subject to Sections 6.2 and 6.3, Restricted Share Units and any dividend equivalent Restricted Share Units in respect of such Restricted Share Units, shall vest on the earliest of:

- (a) the Vesting Date;
- (b) the Change of Control Date; or
- (c) such date as the Board may determine in accordance with the provisions of this Section 5,

and such Restricted Share Units shall be considered "**Vested Restricted Share Units**".

5.2 **Vesting on Death, Retirement, Disability or Termination without Cause**

If a Designated Participant dies, retires, suffers a Disability, is terminated without Cause or resigns for Good Reason prior to a Vesting Date, the Board may determine, in its sole discretion, whether or not any or all of the Restricted Share Units and any dividend equivalent Restricted Share Units in respect of such Restricted Share Units, shall otherwise be considered to have vested and the date on which the Board determines that some or all of the Designated Participant's Restricted Share Units have vested shall be considered to be the Vesting Date for such Restricted Share Units that have so vested and such Restricted Share Units shall be considered "**Vested Restricted Share Units**".

5.3 **Acknowledgement of Grant**

A Designated Participant shall deliver to the Company the completed Grant Notice acknowledging the grant of Restricted Share Units within 90 days after the date on which the Designated Participant receives the Grant Notice from the Company. If the Grant Notice is not delivered by the Designated Participant within such period, the Board reserves the right to revoke the grant of such Restricted Share Units to the Designated Participant and the crediting of such Restricted Share Units to the Designated Participant's Restricted Share Unit Account.

6. **REDEMPTION OF RESTRICTED SHARE UNITS**

6.1 **Redemption of Vested Restricted Share Units**

Subject to the remaining provisions of this Section 6, on the Redemption Date for each Vested Restricted Share Unit, the Company shall redeem all such Vested Restricted Share Units by issuing a share certificate in the name of the Designated Participant evidencing the Common Shares issued to the Designated Participant in respect of the Vested Restricted Share Units, each Vested Restricted Share Unit being redeemed for one Common Share.

6.2 **Cessation of Employment**

If the employment of a Designated Participant ceases prior to the Vesting Date, Restricted Share Units and the dividend equivalent Restricted Share Units in respect of such Restricted Share Units shall be dealt with as follows:

- (a) if a Designated Participant's Restricted Share Units have not vested pursuant to Section 5.2, and the Designated Participant's employment ceases because of the death, retirement or Disability of the Designated Participant, a *pro-rata* portion of the Designated Participant's Restricted Share Units (and any dividend equivalent Restricted Share Units credited in respect thereof) that are scheduled to vest on the next scheduled Vesting Date set forth in the Grant Notice for such Restricted Share Units shall vest, based on the number of days since the Grant Date to the date of death, retirement or Disability in relation to the total number of days from the Grant Date to such Vesting Date, and such Restricted Share Units shall be redeemed and certificates shall be issued to the Designated Participant or the Designated Participant's Beneficiary or estate in accordance with Section 6.1 on the next scheduled Vesting Date set forth in the Grant Notice;

- (b) if the Designated Participant's employment ceases because of termination for Cause or because of the resignation of the Designated Participant other than for Good Reason, all Restricted Share Units (and any dividend equivalent Restricted Share Units credited in respect thereof), whether or not vested, shall immediately expire and the Designated Participant shall have no further rights respecting such Restricted Share Units (and dividend equivalent Restricted Share Units);
- (c) if a Designated Participant's Restricted Share Units have not vested pursuant to Section 5.2, and the Designated Participant's employment ceases because of termination without Cause or resignation for Good Reason, a *pro-rata* portion of the Designated Participant's Restricted Share Units (and any dividend equivalent Restricted Share Units credited in respect thereof) that are scheduled to vest on the next scheduled Vesting Date set forth in the Grant Notice shall vest, based on the number of days since the Grant Date to the date of such termination or resignation in relation to the total number of days from the Grant Date to such Vesting Date, and such Restricted Share Units shall be redeemed and certificates shall be issued to the Designated Participant in accordance with Section 6.1 on the next scheduled Vesting Date set forth in the Grant Notice; and
- (d) the date of cessation of a Designated Participant's employment shall be the Designated Participant's last day of active employment and shall not include any period of statutory, contractual or reasonable notice or any period of deemed employment.

6.3 Change of Control

- (a) In the event of a Change of Control where the Person or group of Persons that acquires Control (the "**Acquirer**"), an Affiliate thereof, or the successor of the Company, agrees to assume all of the obligations of the Company under the Plan and the Board determines that such assumption is consistent with the objectives of the Plan, the Plan and all outstanding awards will continue on the same terms and conditions, except that, if applicable, Restricted Share Units may be adjusted to a right to acquire shares of the Acquirer or its Affiliate.
- (b) In the event of a Change of Control where the Plan is continued pursuant to Section 6.3(a), the Restricted Share Units of Designated Participants whose employment thereafter ceases for any reason other than resignation without Good Reason or termination for Cause shall immediately be deemed to be Vested Restricted Share Units and the Company shall, at its option, redeem all such Vested Restricted Share Units by:
 - (i) issuing a share certificate in the name of the Designated Participant evidencing the Common Shares issued to the Designated Participant in respect of the Vested Restricted Share Units, each Vested Restricted Share Unit being redeemed for one Common Share and the Vesting Date of such Restricted Share Units shall be the date of the termination of employment; or
 - (ii) paying to such Designated Participant a cash amount equal to the Market Value of such Vested Restricted Share Units as of the date of termination.

- (c) In the event of a Change of Control where the Acquirer or an Affiliate thereof or the successor to the Company does not agree to assume all of the obligations of the Company under the Plan, or the Board determines that such assumption is not consistent with the objectives of the Plan, all unvested Restricted Share Units held by each Designated Participant shall immediately be deemed to be Vested Restricted Share Units and the Company shall, at its option, redeem all such Vested Restricted Share Units:
- (i) by issuing a share certificate in the name of the Designated Participant evidencing the Common Shares issued to the Designated Participant in respect of the Vested Restricted Share Units, each Vested Restricted Share Unit being redeemed for one Common Share and the Vesting Date of such Restricted Share Units shall be the Change of Control Date; or
 - (ii) paying to each Designated Participant a cash amount equal to the Market Value of such Vested Restricted Share Units as of the Change of Control Date.

Notwithstanding the foregoing, the Board may terminate all or part of the Plan if it determines that it is appropriate to do so upon a Change of Control and in the event of such termination, the Plan shall terminate on the Change of Control Date on such terms and conditions as the Board may determine.

6.4 **No Interest**

For greater certainty, no interest shall be payable to Designated Participants in respect of any amount payable under the Plan.

6.5 **Common Shares Issued as Fully Paid**

Common Shares issued pursuant to the Plan shall be considered fully paid in consideration of past services performed for the Company that is no less in value than the fair equivalent of the money the Company would have received if the Common Shares had been issued for money.

7. **AMENDMENT OF THE PLAN**

7.1 **Amendment**

- (a) Subject to Applicable Law and Sections 7.1(b) and 7.1(c) below, the Board may, without notice or shareholder approval, at any time or from time to time, amend, suspend or terminate the Plan for any purpose which, in the opinion of the Board, may be expedient or desirable.
- (b) Notwithstanding Section 7.1(a), but subject to Section 7.1(e), the Board shall not materially adversely alter or impair any rights of a Designated Participant or materially increase any obligations of a Designated Participant with respect to Restricted Share Units previously awarded under the Plan without the consent of the Designated Participant.

- (c) Notwithstanding Section 7.1(a), none of the following amendments shall be made to this Plan without approval by shareholders by ordinary resolution:
- (i) increasing the number of securities issuable under the Plan, other than in accordance with the terms of this Plan;
 - (ii) making a change to the class of Designated Participants that would have the potential of broadening or increasing participation by Insiders;
 - (iii) increasing the non-employee director participation limit in Section 4.6(c);
 - (iv) amending Section 8.6 of the Plan;
 - (v) permitting awards other than Restricted Share Units to be made under this Plan; and
 - (vi) deleting or reducing the amendments that require shareholders' approval under this Section 7.1(a).
- (d) Without limiting the generality of the foregoing, the Board shall have the power and authority to approve amendments relating to the Plan or alterations to the rights or obligations of a Designated Participant with respect to Restricted Share Units previously awarded under the Plan, without obtaining shareholder approval, to the extent that such amendment or alteration:
- (i) is of a typographical, grammatical, clerical or administrative nature or is required to comply with applicable regulatory requirements, including the TSX Rules, in place from time to time;
 - (ii) is an amendment to the Plan respecting administration of the Plan and eligibility for participation under the Plan;
 - (iii) changes the terms and conditions on which Restricted Share Units may be or have been granted pursuant to the Plan, including change to the vesting provisions of the Restricted Share Units;
 - (iv) changes the termination provisions of a Restricted Share Unit or the Plan; or
 - (v) is an amendment to the Plan of a "housekeeping nature".
- (e) If the Board terminates or suspends the plan, no new Restricted Share Units (other than dividend equivalent Restricted Share Units) will be credited to the Restricted Share Unit Account of a Designated Participant. On termination of the Plan, the vesting of any and all Restricted Share Units not then vested will be accelerated and, on a date or dates selected by the Board in its discretion, payment in the form of Common Shares will be made to the Designated Participant in respect of Restricted Share Units.
- (f) The Board shall not require the consent of any affected Designated Participant in connection with the termination of the Plan in which the vesting of all Restricted

Share Units held by the Designated Participant are accelerated and payment is made to the Designated Participant in respect of all such Restricted Share Units.

- (g) The Plan will terminate on the date upon which no further Restricted Share Units remain outstanding.

8. GENERAL

8.1 Adjustments

In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement or other scheme of reorganization, spin-off or other distribution of the Company's assets to shareholders (other than the payment of cash dividends in the ordinary course), or any other change in the capital of the Company affecting Common Shares, such adjustments, if any, as the Board in its discretion may deem appropriate to preserve proportionately the interests of Designated Participants under the Plan as a result of such change shall be made with respect to the number of Restricted Share Units outstanding under the Plan.

8.2 Compliance with Laws and Company Policies

- (a) The terms of the Plan are subject to any Applicable Laws and governmental and regulatory requirements (including the TSX Rules), approvals and consents, and the provisions of any applicable policies of the Company that may be or become applicable. Without limiting the generality of the foregoing, the Company may, in its sole discretion, delay the crediting of Restricted Share Units to the accounts of Designated Participants and/or the redemption of Restricted Share Units if and to the extent it considers necessary or appropriate as a result of any Blackout Period.
- (b) If the Board determines that the listing, registration or qualification of the Common Shares subject to this Plan upon any securities exchange or under any provincial, state, federal or other Applicable Law, or the consent or approval of any governmental body or securities exchange or of the shareholders of the Company is necessary or desirable, as a condition of, or in connection with, the crediting of Restricted Share Units or the issue of Common Shares hereunder, the Company shall be under no obligation to credit Restricted Share Units or issue Common Shares hereunder unless and until such listing, registration, qualification, consent or approval shall have been affected or obtained free of any conditions not acceptable to the Board.

8.3 Designated Participant's Entitlement

Except as otherwise provided in this Plan, Restricted Share Units previously granted under this Plan, whether or not then vested, are not affected by any change in the relationship between, or ownership of, the Company and a Related Entity. For greater certainty, all Restricted Share Units remain valid in accordance with the terms and conditions of this Plan and are not affected by reason only that at any time, a Related Entity ceases to be a Related Entity.

8.4 **Reorganization of the Corporation**

The existence of any Restricted Share Units shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

8.5 **Blackout Periods**

If a Vested Restricted Share Unit would otherwise be redeemed during a Blackout Period or within 5 business days after the date on which the Blackout Period ends, then, notwithstanding any other provision of the Plan, the Vested Restricted Share Unit shall instead be redeemed on the date which is 10 business days after the date on which the Blackout Period ends.

8.6 **Transferability of Restricted Share Units**

Rights with respect to Restricted Share Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

8.7 **Successors and Assigns**

The Plan shall be binding on the Company and on Designated Participants and, if applicable, their Beneficiaries and legal representatives.

8.8 **Unfunded and Unsecured Plan**

The Plan is an unfunded obligation of the Company and the Company will not secure its obligations under the Plan. Neither the establishment of the Plan nor the grant of Restricted Share Units (or any action taken in connection therewith) shall be deemed to create a trust. To the extent any individual holds any rights by virtue of a grant of Restricted Share Units under the Plan, such rights shall be no greater than the rights of an unsecured creditor of the Company.

8.9 **Market Fluctuations**

No amount will be paid to, or in respect of, a Designated Participant under the Plan to compensate for a downward fluctuation on the price of Common Shares, nor will any other form of benefit be conferred upon, or in respect of, a Designated Participant for such purpose. The Company makes no representations or warranties to the Designated Participants with the respect to the Plan or the Common Shares whatsoever. In seeking the benefits of participation in the Plan, a Designated Participant agrees to accept all risks associate with a decline in the market price of Common Shares.

8.10 **Participation is Voluntary; No Additional Rights**

The Participation of any Designated Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Designated Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. Nothing in this Plan shall be construed to provide the Designated Participants with any rights whatsoever to participation or continue participation in this Plan or to compensation or damages in lieu of participation, whether upon termination of service as a Designated Participant or otherwise. Nothing contained in this Plan shall be deemed to give any person the right to the continuation of employment by the Company or a Related Entity of the Company or interfere in any way with the right of the Company or a Related Entity of the Company to terminate such employment at any time or to increase or decrease the compensation of such person. For greater certainty, a period of notice, if any, or payment in lieu thereof, upon termination of employment, wrongful or otherwise, shall not be considered as extending the period of employment for the purposes of the Plan. The Company does not assume responsibility for the personal income or other tax consequences for the Designated Participants and they are advised to consult with their own tax advisors.

8.11 **No Shareholder Rights**

No Designated Participant has or is entitled to obtain, as a result of any entitlement to Restricted Share Units hereunder, any entitlement to Common Shares or any voting rights, rights to receive any distribution or any other rights as a shareholder of the Company.

8.12 **Subject to Law**

The Company's granting of any Restricted Share Units and its obligation to make any payments in respect thereof are subject to compliance with Applicable Law. As a condition to participating in the Plan, each Designated Participant agrees to comply with all Applicable Law and agrees to furnish to the Company or any Subsidiary all information, documents, instruments and undertakings as may be required to permit or evidence compliance with Applicable Law.

8.13 **No Salary Deferral Arrangement**

Notwithstanding any other provision of the Plan, it is intended that the Plan and Restricted Share Units granted under the Plan not be considered "salary deferral arrangements" under the *Income Tax Act* (Canada) and the Plan shall be administered in accordance with such intention. Without limiting the generality of the foregoing, the Board may make such amendments to the terms of outstanding Restricted Share Units (including, without limitation, changing the Vesting Dates and Redemption Dates thereof) as may be necessary or desirable, in the sole discretion of the Board, so that the Plan and Restricted Share Units outstanding thereunder are not considered "salary deferral arrangements".

8.14 **Administration Costs**

The Company will be responsible for all costs relating to the administration of the Plan.

8.15 **Governing Law**

The Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

8.16 **Effective Date**

The Plan is adopted by the Board on June 19, 2013.

Ratified by the shareholders of the Company on July 19, 2013.

Schedule A

Form of Grant Notice and Acknowledgment

BNK Petroleum Inc. Restricted Share Unit Plan

BNK Petroleum Inc. (the "**Company**") hereby grants the following award to the Designated Participant named below in accordance with and subject to the terms, conditions and restrictions of this Grant Notice and Acknowledgement (the "**Notice**"), together with the provisions of the BNK Petroleum Inc. Restricted Share Unit Plan (the "**Plan**") adopted by the Board on June 19, 2013, as it may be amended from time to time:

Name and Address of Designated Participant: _____

Date of Grant: _____

Total Number of Restricted Share Units: _____

1. The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Notice and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.
2. Subject to any acceleration in vesting as provided in the Plan, each Restricted Share Unit vests as follows:

[To be inserted]
3. The payment in respect of Restricted Share Units held by the Designated Participant shall be satisfied by the issuance of Common Shares to the Designated Participant on the Redemption Date.
4. Nothing in the Plan or in this Notice will affect the right of the Company or any Related Entity to terminate the employment or term of service any employee at any time for any reason whatsoever.
5. Each notice relating to any award of Restricted Share Units must be in writing and signed by the Designated Participant or its Beneficiary or legal representative. All notices to the Company must be delivered personally or by prepaid registered mail and must be addressed to the President of the Company. All notices to the Designated Participant will be addressed to the principal address of the Designated Participant on file with the Company. Either the Company or the Designated Participant may designate a different address by written notice to the other. Any notice given by either the Designated Participant of the Company is not binding on the recipient thereof until received.
6. The undersigned acknowledges:
 - (a) having received a copy of the Plan and acknowledges and agrees that the terms of the Plan govern the grant of Restricted Share Units to and the rights of the undersigned hereunder and that such terms include rights of the Company to amend or terminate the Plan or any of its terms and to determine vesting and other matters at its discretion;

- (b) that the Company or Related Entity of the Company that employs the undersigned may be required to withhold from the undersigned's compensation and remit to the Canada Revenue Agency or the tax agency of the country in which the Designated Participant resides income taxes and other required source deductions in respect of the redemption of Vested Restricted Share Units of the Designated Participant provided for in Section 3.3 of the Plan; and
- (c) agrees that the undersigned will, at all times, act in strict compliance with Applicable Law and all policies of the Company applicable to the undersigned in connection with the Plan. Such Applicable Law and policies shall include, without limitation, those governing "insiders" of "reporting issuers" as those terms are construed for the purposes of applicable securities laws.

DATED this _____ day of _____, 20_____.

BNK PETROLEUM INC.

Per: _____
 Name:
 Title:

)	
)	
)	
)	
_____)	_____
Witness)	[Name of Designated Participant]
)	

BNK PETROLEUM INC.
(the "Company")
ADVANCE NOTICE POLICY

INTRODUCTION

The Corporation is committed to: (i) facilitating an orderly and efficient process for holding annual general meetings and, when the need arises, special meetings of its shareholders; (ii) ensuring that all shareholders receive adequate advance notice of the director nominations and sufficient information regarding all director nominees; and (iii) allowing shareholders to register an informed vote for directors of the Corporation after having been afforded reasonable time for appropriate deliberation.

PURPOSE

The purpose of this Advance Notice Policy (the "**Policy**") is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors of the Corporation. This Policy fixes a deadline by which director nominations must be submitted to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that must be included in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the board of directors of the Corporation (the "**Board**") that this Policy is in the best interests of the Corporation, its shareholders and other stakeholders. This Policy will be subject to an annual review by the Board, which shall revise the Policy if required to reflect changes by securities regulatory authorities or stock exchanges, and to address changes in industry standards from time to time as determined by the Board.

NOMINATIONS OF DIRECTORS

1. Only persons who are qualified to act as directors under the *Business Corporations Act* (British Columbia) (the "**Act**") and who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. At any annual meeting of shareholders, or at any special meeting of shareholders at which directors are to be elected, nominations of persons for election to the Board may be made only:
 - a. by or at the direction of the Board, including pursuant to a notice of meeting;
 - b. by or at the direction or request of one or more shareholders pursuant to a valid "proposal" as defined in the Act and made in accordance with Part 5, Division 7 of the Act;
 - c. pursuant to a requisition of the shareholders that complies with and is made in accordance with section 167 of the Act, as such provisions may be amended from time to time; or

- d. by any person (a "**Nominating Shareholder**") who:
 - (i) at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below and at the close of business on the record date fixed by the Corporation for such meeting, (a) is a "registered owner" (as defined in the Act) of one or more shares of the Corporation carrying the right to vote at such meeting, or (b) beneficially owns shares carrying the right to vote at such meeting and provides evidence of such ownership that is satisfactory to the Corporation, acting reasonably. In cases where a Nominating Shareholder is not an individual, the notice set forth in paragraph 4 below must be signed by an authorized representative, being a duly authorized director, officer, manager, trustee or partner of such entity who provides such evidence of such authorization that is satisfactory to the Corporation, acting reasonably; and
 - (ii) in either case, complies with the notice procedures set forth below in this Policy.
2. In addition to any other requirements under applicable laws, for a nomination to be validly made by a Nominating Shareholder in accordance with this Policy, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the President of the Corporation at the principal executive offices of the Corporation.
3. To be timely, a Nominating Shareholder's notice to the President of the Corporation must be made:
 - a. in the case of an annual meeting of shareholders, not less than thirty (30) days nor more than sixty-five (65) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (50) days after the date (the "**Notice Date**") on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be given not later than the close of business on the tenth (10th) day following the Notice Date; and
 - b. in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder's notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting and/or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders, or the reconvening of any adjourned or

postponed meeting of shareholders, or the announcement thereof, commence a new time period for the giving of a Nominating Shareholder's notice as described above.

4. To be in proper written form, a Nominating Shareholder's notice must be addressed to the President of the Corporation, and must set forth:
 - a. as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the present principal occupation or employment of the person and the principal occupation or employment within the five years preceding the notice; (iii) the citizenship of such person; (iv) the class or series and number of shares in the capital of the Corporation which are, directly or indirectly, controlled or directed or which are owned, beneficially or of record, by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (v) a statement as to whether such person would be "independent" of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110, *Audit Committees*, of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination;
 - b. the full particulars regarding any oral or written proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Corporation; and
 - c. any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that would reasonably be expected to be material to a reasonable shareholder's understanding of the experience, independence and/or qualifications, or lack thereof, of such proposed nominee. As soon as practicable following receipt of a Nominating Shareholder's notice (and such other information referred to above, as applicable) that complies with this Policy, the Corporation shall publish through a public announcement the names of the nominees named in such notice and such other details of such notice as the Corporation may deem appropriate.

5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the

provisions of the Act or at the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the provisions of this Policy and, if the Chairman determines that any proposed nomination was not made in compliance with this Policy, to declare that such defective nomination shall be disregarded.

6. For purposes of this Policy:
 - a. "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com; and
 - b. "**Applicable Securities Laws**" means, collectively, the applicable securities statutes of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada, and all applicable securities laws of the United States.
7. Notwithstanding any other provision of this Policy, notice given to the President of the Corporation pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the President of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the President at the address of the principal executive offices of the Corporation, sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) or received by email (at the address as aforesaid); provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Pacific Time) on a business day, then such delivery or electronic communication shall be deemed to have been made on the next business day.
8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any provision or requirement of this Policy.

GOVERNING LAW

This Policy shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

EFFECTIVE DATE

This Policy was approved and adopted by the Board on May 24, 2013 and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date, provided that if this Policy is not ratified and approved by an ordinary resolution of shareholders of the Corporation at the Corporation's next shareholder meeting following the

effective date of this Policy, the Policy shall, from and after the date of such shareholder meeting, cease to be of any force and effect.

BNK PETROLEUM INC.
(the "Company")
MAJORITY VOTING POLICY

The Board of Directors believes that each director should have the confidence and support of the shareholders of the Company. To this end, the Board of Directors has unanimously adopted this Majority Voting Policy and future nominees for election to the Board of Directors will be required to confirm that they will abide by this Majority Voting Policy.

In an uncontested election of directors of the Company:

- (a) nominees shall be listed individually and shareholders shall be allowed to vote for each director individually; and
- (b) any nominee in respect of whom a greater number of votes "withheld" than votes "for" are validly cast will promptly submit his or her offer of resignation for the consideration of the Corporate Governance Committee.

Promptly following receipt of an offer of resignation arising from the foregoing circumstances, the Corporate Governance Committee will meet to review the matter and make a recommendation to the Board of Directors after reviewing the matter. In considering the resignation offer, the Corporate Governance Committee and the Board of Directors will consider all factors they deem relevant, including, but not limited to, any stated reasons why shareholders "withheld" votes from the election of the director, the length of service and the qualifications of the director, the director's contributions to the Company and the Board, and the effect any such resignation may have on the Company's ability to comply with any applicable laws or governance rules or policies. The decision of the Board of Directors whether to accept or reject a resignation offer will be disclosed to the public. A director who offers his or her resignation pursuant to this policy will not participate in any meeting of the Board of Directors or the Corporate Governance Committee at which the resignation offer is considered.

This Majority Voting Policy does not apply in circumstances involving contested director elections.

This Majority Voting Policy was initially adopted by the Board of Directors on June 19, 2013.

By order of the Board of Directors
BNK PETROLEUM INC.