



June 16, 2014

Bengal Energy Announces Fourth Quarter and Record Fiscal 2014 Year End Results

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) (“Bengal” or the “Company”) is pleased to announce its financial and operating results for the fourth quarter and full year fiscal 2014 results (periods ended March 31, 2014).

FISCAL YEAR END & FOURTH QUARTER 2014 HIGHLIGHTS:

2014 was a successful period for Bengal, evidenced by the continued growth in our production, reserves and revenue, as well as the achievement of several important milestones which further advance our progress and set the stage for future expanded development. The following are financial, operational and corporate achievements through the three and twelve months ended March 31, 2014:

Financial Highlights:

- **Increased Production Resulted in Record Revenue** – Bengal’s revenue of approximately \$5.3 million in the fourth quarter was 4% lower than the \$5.5 million generated in the preceding quarter due to lower realized commodity prices, but was 75% higher than the \$3.0 million generated during fourth quarter of 2013. For the full year 2014, Bengal generated revenue of approximately \$19.8 million which is a 237% increase over fiscal 2013. The gain was driven by a 55% increase in production compared to the previous year, and strong pricing for the high quality crude oil produced.
- **Funds Flow from Operations⁽¹⁾ Significantly Grow Year over Year** – Bengal generated funds flow from operations of \$2.2 million in the quarter ended March 31, 2014 a 23% decrease from the \$2.9 million generated in the preceding quarter, due to lower netbacks and the impact of foreign exchange as the Australian dollar appreciated against the US dollar; however this reflects a 93% increase over the \$1.2 million recorded in the fourth quarter of 2013. Full year 2014 funds flow from operations was \$8.2 million or 645% higher than the \$1.1 million generated during the twelve months ended March 31, 2013.
- **Reserves Growth Continue** – Independent third party year-end reserves evaluation to March 31, 2014 show a 122% year-over-year corporate 2P reserves increase, driven by significant increase of 2P reserves at Cuisinier. Based on 1P and 2P reserves additions, Bengal has replaced approximately 6.4 times and 13.2 times its annual production, respectively.

(1) Funds flow from operations is an additional generally accepted account principle (“GAAP measure”). The comparable International Financial Reporting Standards (“IFRS”) measure is cash from operations. A reconciliation of the two measures can be found in the table on page 6 of Bengal’s Q4 MD&A.



- **Net Income Demonstrates Continuing Profitability** – Bengal reported net income of \$150 thousand compared to a loss of \$1.8 million in the prior year. Before factoring in impairments of approximately \$3.1 million, Bengal would have generated net income of approximately \$3.2 million (EPS \$0.05/share).

Operational Highlights:

- **Production Volumes** – Production in the fourth quarter averaged 504 barrels of oil equivalent per day (“boepd”), an increase of 8% over the 468 boepd in the previous quarter and a 55% increase over the 325 boepd produced in Q4 2013. For the full year, Bengal’s production averaged 468 boepd, a significant increase of 175% over the 170 boepd produced in 2013.
- **Cuisinier Drilling 2013** – On March 20, 2013, the Company commenced its fiscal 2014 Cuisinier drilling program, comprised of six Murta focused oil wells. The program successfully aimed to optimize the overall pool productivity and better define the ultimate pool size. All six wells were drilled and extended Bengal’s 100% success rate in its Cuisinier drilling history.
- **Expanded ownership interest of Cuisinier Oil Field and the ATP 752P** - Bengal exercised its pre-emptive right to purchase an additional interest in the ATP 752P permit, bringing the Company’s total ownership to 30.357% of the Cuisinier field and 38% in the Wompi field.
- **Receipt of Petroleum License** - Final approval of Petroleum Lease 303 (“PL303”) for the Cuisinier oil pool was granted in April 2013, allowing Bengal’s past and future Cuisinier wells to produce for up to 21 years.
- **2014 Phase 1 Cuisinier Drilling Campaign** – Commencing in March 2014, four development wells were drilled through May 2014 at Cuisinier with a 100% success rate. The wells have been cased and are awaiting completion which is anticipated to run from mid-July through early August 2014. The Company expects tie-ins to be completed by the end of September 2014, with cash flow from the new production volumes being reflected in the first quarter of calendar 2015.
- **Onshore India Drilling Plan** - The Company continues to work with the operator of Bengal’s onshore block in India’s Cauvery Basin to finalize the necessary regulatory approvals for the drilling of three exploration wells.

Recent Developments:

- **April 2014 Production Volumes** - Production rates in Cuisinier have been impacted by natural declines as well as operational issues encountered in the field’s largest producing well. The Cuisinier 6 well has experienced a sudden and unusual increase in water-cut as well as an increase in measured well head pressure since April 2014. Bengal, along with the operator are currently investigating the source of the water to determine a remediation strategy aimed oil production to offset this decline.
- **Extending Financial Flexibility** – Subsequent to year-end, Bengal signed an indicative term sheet for a US \$20.0 million secured credit facility with a leading Australian commercial bank. Once



finalized, the facility is expected to fully fund Bengal's Australian development through March 2015, allowing the Company to fund future planned exploration activities in India and Australia with internally generated cash flows.

OPERATING HIGHLIGHTS

\$000s except per share, volumes and netback amounts	Three Months Ended March 31			Twelve Months Ended March 31		
	2014	2013	% Change			% Change
Revenue						
Oil	\$ 5,174	\$ 2,946	75	\$ 19,480	\$ 5,669	244
Natural gas	87	67	29	274	172	59
Natural gas liquids	11	-	N/A	68	44	55
Total	\$ 5,272	\$ 3,013	75	\$ 19,822	\$ 5,885	237
Royalties	407	271	50	1,334	526	154
% of revenue	7.7	9.0	(14)	6.7	8.9	(25)
Operating & transportation	1,496	694	116	5,290	1,726	207
Operating netback ⁽¹⁾	3,369	\$ 2,048	65	13,198	\$ 3,633	263
Cash from (used in) operations:	2,106	119	1170	7,591	(703)	N/A
Per share (\$) (basic & diluted)	0.03	(0.00)		0.12	(0.01)	
Funds from (used in) operations: ⁽²⁾	2,218	1,151	93	8,183	1,099	569
Per share (\$) (basic & diluted)		0.02		0.13	0.02	
Net (loss):	(1,804)	(592)	(205)	150	(1,799)	N/A
Per share (\$) (basic & diluted)	(0.03)	(0.01)		.00	(0.03)	
Capital expenditures	2,048	\$ 1,280	60	\$ 16,647	\$ 28,381	(41)
Volumes						
Oil (bpd)	472	287	65	433	138	214
Natural gas (mcf/d)	180	229	(21)	201	180	12
Natural gas liquids (boepd)	2	-	N/A	2	2	-
Total (boepd @ 6:1)	504	325	55	468	170	175
Netback ⁽¹⁾ (\$/boe)						
Revenue	116.24	\$ 102.88	13	\$ 115.94	\$ 94.95	22
Royalties	8.97	9.25	(3)	7.80	8.49	(8)
Operating & transportation	32.99	23.70	39	30.94	27.85	11
Total	74.28	\$ 69.93	6	\$ 77.20	\$ 58.61	32

(1) Netback is a non-IFRS measure. Netback per boe is calculated by dividing the revenue and costs in total for the Company by the total production of the Company measured in boe.

(2) Funds from operations is a non-IFRS measure. The comparable IFRS measure is cash from operations. A reconciliation of the two measures can be found in the table on page 6 of Bengal's Q4 2014 MD&A.

Bengal has filed its consolidated financial statements and management's discussion and analysis for the fourth fiscal quarter of 2014 and year ended March 31, 2014 with Canadian securities regulators. The documents are available on SEDAR at www.sedar.com or by visiting Bengal's website at www.bengalenergy.ca.

About Bengal

Bengal Energy Ltd. is an international junior oil and gas exploration and production company with assets in Australia and India. The Company is committed to growing shareholder value through international



exploration, production and acquisitions. Bengal's common shares trade on the TSX under the symbol "BNG".

Additional information is available at www.bengalenergy.ca

Forward-Looking Statements

This news release contains certain forward-looking statements or information ("forward-looking statements") as defined by applicable securities laws that involve substantial known and unknown risks and uncertainties, many of which are beyond Bengal's control. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. The use of any of the words "plan", "expect", "prospective", "project", "intend", "believe", "should", "anticipate", "estimate", or other similar words or statements that certain events "may" or "will" occur are intended to identify forward-looking statements. The projections, estimates and beliefs contained in such forward-looking statements are based on management's estimates, opinions, and assumptions at the time the statements were made, including assumptions relating to: the impact of economic conditions in North America, Australia, India and globally; industry conditions; changes in laws and regulations including, without limitation, the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; increased competition; the availability of qualified operating or management personnel; fluctuations in commodity prices, foreign exchange or interest rates; stock market volatility and fluctuations in market valuations of companies with respect to announced transactions and the final valuations thereof; results of exploration and testing activities; and the ability to obtain required approvals and extensions from regulatory authorities. We believe the expectations reflected in those forward-looking statements are reasonable but, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Bengal will derive from them. As such, undue reliance should not be placed on forward-looking statements. Forward-looking statements contained herein include, but are not limited to, statements regarding: the Tookoonooka joint venture, including without limitation, the timing of processing and interpreting seismic data and timing for the selection and drilling of a second well; receipt of regulatory approvals for the drilling of exploration wells in Cauvery Basin, India; and the timing for drilling of the first well in the Cauvery Basin, India. The forward-looking statements contained herein are subject to numerous known and unknown risks and uncertainties that may cause Bengal's actual financial results, performance or achievement in future periods to differ materially from those expressed in, or implied by, these forward-looking statements, including but not limited to, risks associated with: the failure to obtain required regulatory approvals or extensions; failure to satisfy the conditions under farm-in and joint venture agreements; failure to secure required equipment and personnel; changes in general global economic conditions including, without limitations, the economic conditions in North America, Australia, India; increased competition; the availability of qualified operating or management personnel; fluctuations in commodity prices, foreign exchange or interest rates; changes in laws and regulations including, without limitation, the adoption of new environmental and tax laws and regulations and changes in how they are interpreted and enforced; the results of exploration and development drilling and related activities; the ability to access sufficient capital from internal and external sources; and stock market volatility. Readers are encouraged to review the material risks discussed in Bengal's Annual Information Form for the year ended March 31, 2013 under the heading "Risk Factors" and in Bengal's annual MD&A under the heading "Risk Factors".



The Company cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. The forward-looking statements contained in this news release speak only as of the date hereof and Bengal does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

Barrels of Oil Equivalent

When converting natural gas to equivalent barrels of oil, Bengal uses the widely recognized standard of 6 thousand cubic feet (mcf) to one barrel of oil (boe). However, a boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Certain Defined Terms

boe – barrels of oil equivalent

bopd – barrels of oil equivalent per day

bbl – barrel

bbl/d – barrels per day

mcf – thousand cubic feet

mcf/d – thousand cubic feet per day

Non-IFRS Measurements

Within this release references are made to terms commonly used in the oil and gas industry. Funds from operations, funds from operations per share and netbacks do not have any standardized meaning under IFRS and previous GAAP and are referred to as non-IFRS measures. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net income (loss) per share. Netbacks equal total revenue less royalties and operating and transportation expenses calculated on a boe basis. Management utilizes these measures to analyze operating performance. The Company's calculation of the non-IFRS measures included herein may differ from the calculation of similar measures by other issuers. Therefore, the Company's non-IFRS measures may not be comparable to other similar measures used by other issuers. Funds from operations is not intended to represent operating profit for the period nor should it be viewed as an alternative to operating profit, net income, cash flow from operations or other measures of financial performance calculated in accordance with IFRS. Non-IFRS measures should only be used in conjunction with the Company's annual audited and interim financial statements. A reconciliation of these measures can be found in the table on page 6 of Bengal's Q4 MD&A.



FOR FURTHER INFORMATION PLEASE CONTACT:

Bengal Energy Ltd.

Chayan Chakrabarty, President & Chief Executive Officer

Jerrad Blanchard, Chief Financial Officer

(403) 205-2526

Email: investor.relations@bengalenergy.ca

Website: www.bengalenergy.ca