



November 13, 2014

Bengal Energy Announces Second Quarter Fiscal 2015 Results and Adopts Advance Notice By-law for Director Nominations

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) (“Bengal” or the “Company”) is pleased to announce its financial and operating results for the second fiscal 2015 quarter ended September 30, 2014.

FISCAL Q2 2015 HIGHLIGHTS:

During the Company’s second fiscal quarter of 2015, Bengal continued to execute its growth strategy and realized significant increases to its production and secured funding to proceed with an expanded six to nine well Phase Two drilling program commencing in November 2014. The upcoming drilling program will build on the drilling success in the large oil-in-place Cuisinier pool in Australia, which generates 52 degree API oil production with attractive operating netbacks. In addition to Cuisinier, which is a development stage asset with significant exploration and appraisal upside, the Company is advancing activities on other exploration assets that are expected to fuel future growth.

The following is an overview of the financial and operational results for the three and six month periods ended September 30, 2014:

Financial Summary:

- **Revenues** – Bengal’s revenue of approximately \$4.5 million in the second quarter is 15% higher than the \$3.9 million generated in the preceding quarter due to higher production partially offset by lower benchmark commodity prices. Revenues decreased 16% compared to the \$5.3 million generated during second quarter of fiscal 2014 driven by lower production and commodity prices.
- **Funds Flow from Operations⁽¹⁾** – Bengal generated funds flow from operations of \$1.5 million in the quarter ended September 30, 2014, a 58% increase from the \$0.9 million generated in the preceding quarter, due to higher production and a 29% decrease over the \$2.1 million recorded in the second quarter of fiscal 2014, resulting largely from decreased revenues.
- **Net Income** – Bengal reported a net loss of approximately \$0.1 million for the quarter compared to a net loss of \$0.7 million in the preceding quarter, and net income of \$0.5 million in the second quarter of fiscal 2014.

¹ Funds flow from operations is an additional generally accepted account principle (“GAAP measure”). The comparable International Financial Reporting Standards (“IFRS”) measure is cash flow from operations. A reconciliation of the two measures can be found in the table on page 5 of Bengal’s management’s discussion and analysis for the period ending September 30, 2014



Operating Overview:

- **Cuisinier Phase One Drilling Campaign** – During fiscal Q2 2015, all four Cuisinier Phase One oil wells were tied-in and placed on production, resulting in additional incremental production of approximately 1,100 barrels of oil per day (“bopd”) or 334 bopd net to Bengal.
- **Production Volumes** – Bengal’s net production in the second quarter averaged 457 barrels of oil equivalent per day (“boepd”), an increase of 27% from 361 boepd in the previous quarter due to incremental production from the Cuisinier Phase One drilling program and a successful workover on the Cuisinier-7 well. Second quarter production was 12% lower than in the prior year’s quarter resulting primarily from production disruptions at the Cuisinier-6 well.
- **Expanded Cuisinier Phase Two Drilling Campaign** – Phase Two of the Cuisinier drilling campaign has now commenced with the drilling of Wicho East, located approximately 10 kilometers northeast of Cuisinier. The program will also include two development and three appraisal wells within the Cuisinier Field, in addition, the Joint Venture Parties (“JV”) are considering up to three contingent wells in and around PL 303, based on the results of the initial six-well program.

Subsequent Events:

- **Credit Facility** – On October 24, 2014 the Company announced the closing of its US \$25.0 million credit facility. The Company has made an initial draw of US \$14.0 million that will fund the early redemption of the entire outstanding balance of the Company’s \$8.0 million July 2013 notes payable and to fund its share of the Cuisinier Phase One drilling program. This facility is expected to fully finance the ongoing Cuisinier development program, freeing internally generated cash flows to fund the Company’s exploration activities. As a condition of this initial draw, the Company entered into combination of fixed for future swaps and put positions for approximately 269,000 barrels in total over the term of the loan comprised of combination of fixed for future swaps and put positions. Bengal purchased US\$80/bbl puts for 45% of the hedged volumes (121,000 barrels) and blended the associated premiums into a fixed for future swap at net US\$80/bbl for 55% of the hedged volumes (148,000 barrels).

“We are very pleased by the initial results of the largest drilling campaign in Bengal’s history,” said Chayan Chakrabarty, Bengal’s President and CEO. “The significant growth we achieved in our production is a positive demonstration of the potential of our asset base. We have a number of exciting operational milestones ahead of us in the coming months, and we are pleased to have successfully completed our credit facility agreement that provides us with additional financial flexibility as we kick-off the second phase of our exciting 2014 / 2015 drilling campaign. The next twelve months will continue to be an active time for the Company, and I look forward to updating our shareholders as we progress the development of our assets and continue to execute on our strategy.”

For a discussion of the activities on each of the Company’s permits, refer to Bengal’s management’s discussion and analysis for the second fiscal quarter 2015 ended September 30, 2014 filed on SEDAR at www.sedar.com.



FINANCIAL & OPERATING HIGHLIGHTS

\$000s except per share, volumes and netback amounts	Three Months Ended September 30			Six Months Ended September 30		
	2014	2013	% Change	2014	2013	% Change
Revenue						
Oil	\$ 4,380	\$ 5,229	(16)	\$ 8,166	\$ 8,855	(8)
Natural gas	71	69	3	160	134	19
Natural gas liquids	7	14	(50)	21	45	(53)
Total	\$ 4,458	\$ 5,312	(16)	\$ 8,347	\$ 9,034	(8)
Royalties	\$ 205	\$ 358	(43)	\$ 486	\$ 562	(14)
% of revenue	4.6	6.7	(31)	5.8	6.2	(7)
Operating & transportation	\$ 1,520	\$ 1,499	1	\$ 2,726	\$ 2,429	12
Operating netback ⁽¹⁾	\$ 2,733	\$ 3,455	(21)	\$ 5,135	\$ 6,043	(15)
Cash from (used in) operations:	\$ 2,232	\$ 2,066	8	\$ 4,451	\$ 3,315	34
Per share (\$) (basic & diluted)	0.03	0.03	-	0.07	0.05	40
Funds flow from (used in) operations: ⁽²⁾	\$ 1,459	\$ 2,063	(29)	\$ 2,385	\$ 3,795	(37)
Per share (\$) (basic & diluted)	0.02	0.03	(33)	0.04	0.06	(33)
Net (loss): income	\$ (98)	\$ 545	(118)	\$ (827)	\$ 1,381	(160)
Per share (\$) (basic & diluted)	0.00	0.01	(100)	(0.01)	0.02	(150)
Capital expenditures	\$ 2,909	\$ 2,702	8	\$ 6,564	\$ 8,137	(19)
Volumes						
Oil (bpd)	428	483	(11)	377	398	(5)
Natural gas (mcfpd)	169	200	(16)	181	220	(18)
Natural gas liquids (boepd)	1	2	(50)	1	3	(67)
Total (boepd @ 6:1)	457	518	(12)	408	438	(7)
Netback ⁽¹⁾ (\$/boe)						
Revenue	\$106.11	\$ 111.48	(5)	\$111.51	\$ 112.84	(1)
Royalties	4.88	7.51	(35)	6.49	7.02	(8)
Operating & transportation	36.18	31.46	15	36.42	30.34	20
Total	\$ 65.05	\$ 72.51	(10)	\$ 68.60	\$ 75.48	(9)

(1) Funds flow from operations is an additional GAAP measure. The comparable IFRS measure is cash flow from operations. A reconciliation of the two measures can be found in the table on page 5 of Bengal's MD&A for the period ending September 30, 2014.

(2) Netback is a non-IFRS measure. Netback per boe is calculated by dividing the revenue less royalties, operating and transportation costs by the total production of the Company measured in boe.



Bengal has filed its consolidated financial statements and management's discussion and analysis for the second fiscal 2015 quarter ended September 30, 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.

Advance Notice By-Law for Director Nominations:

Bengal also is pleased to announce that the board of directors (the "**Board**") of Bengal has approved the adoption of an advance notice by-law (the "**Advance Notice By-law**"). The Advance Notice By-law sets forth provisions requiring advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to: (i) a "proposal" made in accordance with section 136(1) of the *Business Corporations Act* (Alberta) (the "**Act**"); or (ii) a requisition of the shareholders made in accordance with section 142(1) of the Act. More specifically, the Advance Notice By-law fixes a deadline by which holders of record of common shares of Bengal must submit director nominations to the Chief Executive Officer of the Company prior to any annual or special meeting of shareholders and sets forth the specific information that a shareholder must include in the written notice to the Chief Executive Officer of the Company for an effective nomination to occur. No person will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice By-law.

In the case of an annual general meeting of shareholders, notice to the Chief Executive Officer of the Company must be made not less than 30 nor more than 65 days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the nominating shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date.

In the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), notice to the Chief Executive Officer of the Company must be made 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 Advance Notice By-law is now effective and in full force and effect. The Advance Notice By-law will be put to shareholders of the Company for approval at its upcoming annual and special meeting of shareholders scheduled for December 18, 2014. If the Advance Notice By-law is not confirmed at the meeting by ordinary resolution of shareholders, the Advance Notice By-law will terminate and be of no further force and effect following the termination of the shareholders meeting. By its terms, the Advance Notice By-law will not apply in respect of the election of directors at the upcoming annual and special meeting of shareholders scheduled for December 18, 2014.

The full text of the Advance Notice By-law will be available via SEDAR at www.sedar.com or upon request by contacting the Chief Executive Officer of the Company at (403) 205-2526 or by email at CChakrabarty@bengalenergy.ca.

About Bengal

Bengal Energy Ltd. (TSX: BNG) is an international oil and gas exploration and production company with producing and prospective light oil-weighted assets in Australia and India. Bengal offers exposure to lower risk, current production and cash flow, combined with longer-term high, potential impact exploration projects. The Company's strategy is to achieve per share growth in cash flow, production and reserves while establishing an attractive portfolio of future drilling and exploration opportunities. Additional information is available on our website at www.bengalenergy.ca.



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 anticipated date of the Company's annual and special shareholders meeting; the anticipated shareholder approval of the Advance Notice By-law and effective date; the commencement of the Phase Two drilling program; the Company's additional activities on other exploration assets; the consideration of additional wells in and around PL 303; and the use of the funds from the facility to fund the Company's Cuisinier development program. 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 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 require 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

boe/d – 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 International Financial Reporting Standards (IFRS) and previous generally accepted accounting principles (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 5 of Bengal's Q1 fiscal 2014 MD&A.

FOR FURTHER INFORMATION PLEASE CONTACT:

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