PRESS RELEASE

August 12, 2015

Bengal Energy Announces Fiscal 2016 First Quarter Results

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) ("Bengal" or the "Company") today announces its financial and operating results for the first quarter of fiscal 2016 ended June 30, 2015.

"Notwithstanding the difficult commodity price environment that global exploration and production companies are facing, we are very pleased with Bengal's operational and financial progress in the first quarter of fiscal 2016," said Chayan Chakrabarty, President and CEO of Bengal. *"We continued to realize gains from our active hedging program and successfully tied-in two development wells. With our expanded production, low cost operations and hedging program, we are well positioned to manage through a volatile commodity price environment*."

FISCAL Q1 2016 HIGHLIGHTS:

The following is an overview of the financial and operational results during the three-month period ended June 30, 2015:

Financial Highlights:

- **Revenue** – Bengal's revenue of approximately $3.7 million in the first quarter is 10% higher than the $3.4 million generated in the preceding quarter due to increased benchmark commodity prices Revenues decreased 2% compared to the $3.8 million generated during first quarter of fiscal 2015 driven by lower commodity prices only partially offset by increased production. Sales prices averaged USD $78/bbl, compared to average sales prices of USD $125/bbl during the first fiscal quarter of 2014.
- **Hedging in place through June 2017** – the Company has approximately 215,000 barrels of production hedged with a floor price of US $80 per barrel through to June 2017. During the quarter ended March 31, 2015, realized gains of derivative financial instruments was $0.4 million.
- **Funds Flow from Operations[(1)]** – Bengal generated funds flow from operations of $1.2 million in the quarter ended June 30, 2015, a 30% increase from the $0.9 million generated in the preceding quarter and a 32% increase from the $0.9 million recorded in the first quarter of fiscal 2015 primarily due to increased production and the depreciation of the Australian dollar relative to the US dollar.
- **Earnings** – Bengal reported a net loss of $1.3 million for the quarter compared to a net loss of $1.1 million in the preceding quarter, and net income of $0.7 million in the first quarter of fiscal 2015 primarily due to the impact of unrealized losses on derivative contracts, which decreased in value as Brent forward pricing increased during the quarter Excluding the impact of unrealized foreign exchange and unrealized hedging gains and losses, annual adjusted net loss [(1)] is $0.2 million for the first quarter of 2016 compared to an adjusted net loss of 0.9 million in Q1 2015.

Operational Highlights:

- **Production Volumes –** Bengal's current production has increased to approximately 650 boepd following the successful tie-in of the Cuisinier Phase Two development wells, while average production during the quarter was 520 barrels of oil equivalent per day ("boepd"). The first quarter fiscal 2016 production remained consistent with the previous quarter, but was 44% higher than the same quarter the previous year, primarily attributable to the incremental production from the Cuisinier Phase Two development wells, plus the impact of the Cuisinier Phase One development wells being on stream for the full quarter.
- **Production tie-ins** – The Cuisinier 20 and Cuisinier 21 wells were brought on stream at the end of June at restricted rates. Test production rates were 415 barrels of oil per day and 252 barrels of oil per day for Cuisinier 20 and Cuisinier 21, respectively. Production testing of the Cuisinier 21 well in July indicated a downhole flow restriction that is being addressed by an optimization work-over in August 2015.
- **ATP 934 Barrolka Permit –** During the quarter Bengal consolidated its ownership position in this operated and gas prone permit to 71.43% through the acquisition of its proportionate share of the interest held by one of the original joint venture parties. In addition, reached agreement with the Queensland authorities regarding ongoing work commitments. Initial exploration work on this permit has commenced with the reprocessing of approximately 500 kms of 2D seismic. Competitor activity along trend is increasing with new discoveries announced and more drilling in the near term.
- **Onshore India Drilling Plan** – At Bengal's onshore India block situated within the Cauvery Basin (CY-ONN-2005/1 – 30% WI), the Company continues to coordinate with its partners, Gas Authority of India Ltd. ("GAIL") and Gujarat State Petroleum Corporation, for the drilling of three exploration wells. GAIL, the operator, continues to negotiate with various stakeholders and government bodies that provide the necessary approvals to proceed. The drilling of the first of three exploration wells is expected to commence no earlier than late calendar 2015. The block is currently under force majeure subject to stakeholder negotiations, which was further extended in June 2015.

[1] See non-IFRS measurements section on page 6 of the 1st Qtr. Ended June 30, 2015 MD&A

OPERATING HIGHLIGHTS

$000s except per share, volumes and netback amounts	Three Months Ended June 30		
	2015	2014	% Change
Revenue			
Oil	**$ 3,704**	$ 3,786	(2)
Natural gas	**-**	89	(100)
Natural gas liquids	**-**	14	(100)
Total	**$ 3,704**	$ 3,889	(5)
Realized gain on financial instruments	**$ 434**	$ -	-
Royalties	**$ 254**	$ 281	(10)
% of revenue	**7**	7	-
Operating & transportation	**$ 1,695**	$ 1,206	41
Operating netback(1)	**$ 1,755**	$ 2,402	(27)
Funds from operations:(2)	**$ 1,222**	$ 926	32
Per share ($) (basic & diluted)	**0.02**	0.01	100
Net (loss)	**$ (1,256)**	$ (729)	72
Per share ($) (basic & diluted)	**0.02**	0.01	100
Adjusted net (loss) (3)	**$ (179)**	$ (869)	(75)
Per share ($) (basic & diluted)	**(0.00)**	(0.01)	(100)
Capital expenditures	**$ 1,108**	$ 3,655	(70)
Volumes			
Oil (bopd)	**520**	327	59
Natural gas (mcfpd)	**-**	194	(100)
Natural gas liquids (boepd)	**-**	2	(100)
Total (boepd @ 6:1)	**520**	361	44
Netback(1) ($/boe)			
Revenue	**$ 78.22**	$ 118.43	(34)
Realized gain on financial instrument	**9.16**	-	-
Royalties	**5.36**	8.56	(37)
Operating & transportation	**35.79**	36.72	(3)
Netback/boe	**$ 46.23**	$ 73.15	(37)

(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 Q1 2016 MD&A.
(3) Adjusted net (loss) 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.

Bengal has filed its consolidated financial statements and management's discussion and analysis for the first fiscal quarter of 2016 on SEDAR at www.sedar.com or by visiting Bengal's website at www.bengalenergy.ca.

[1] See non-IFRS measurements section on page 6 of the 1st Qtr. Ended June 30, 2015 MD&A

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 Company's approach to capital expenditures for the coming year; the timing of the completion of the reprocessing and interpretation of the approximately 500 kilometres of 2D seismic for the ATP 934 Barrolka Permit; the anticipated timing for completion and testing of the gas discovery at Wompi; anticipated timing of interpretation of the PSDM data and next phase of drilling on the ATP 732 Tookoonooka Permit; and the Company's onshore India drilling plan with its partners, including the expected timing of drilling the first three exploration wells. 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

[1] See non-IFRS measurements section on page 6 of the 1st Qtr. Ended June 30, 2015 MD&A

volatility. Readers are encouraged to review the material risks discussed in Bengal's Annual Information Form for the year ended March 31, 2014 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*
***boepd** – barrels of oil equivalent per day*
***bbl** – barrel*
***mcf** – thousand cubic feet*
***mcfd** – 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 Q1 MD&A.

[1] See non-IFRS measurements section on page 6 of the 1st Qtr. Ended June 30, 2015 MD&A

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