



September 26, 2018

Bengal Energy Announces Successful Cuisinier Well Stimulation, Waterflood and Development Program Updates

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) (“Bengal” or the “Company”) announces that the Company and its joint venture partners have successfully completed a three well hydraulic stimulation program (“frac program”) in the Cuisinier oil field on ATP 752 Barta Block (Bengal’s working interest is 30.357%).

Hydraulic Stimulation

The frac program has exceeded Bengal’s technical and commercial expectations. The frac program targeted Cuisinier North-1, Shefu-1 and Cuisinier-24. Prior to the frac program, the aggregate gross production from these three wells was 93 barrels of oil per day (“bopd”). Subsequent to the frac program, the aggregate initial production was 322 bopd, for an incremental increase of 229 gross bopd (an incremental 69 bopd net to Bengal).

Planning for the stimulation of a fourth well, Cuisinier-19 is complete, with frac operations expected to take place in calendar Q1 2019. “We are pleased with the results of our 2018 hydraulic stimulation program which has demonstrated the potential to significantly increase the performance of select producing wells within the Cuisinier field,” said Chayan Chakrabarty, Bengal’s President and CEO. “We have added to our production base, while providing an excellent foundation for future production additions, as other low cost, low risk stimulation opportunities are identified.”

2019 Cuisinier Drilling Campaign

The Company and its joint venture partners have agreed on the drilling locations for the 2019 Cuisinier drilling campaign which is planned to occur by calendar Q3 2019. This campaign will consist of a minimum of four wells with a fifth well currently under consideration by the joint venture partners. Two wells in the program will be development wells and will complement one water injection pilot well targeting production additions, while the remaining wells will target production additions and further pool expansion. All wells are located within Cuisinier Petroleum Lease 303.

Water Injection Pilot

A water injection pilot for reservoir pressure maintenance is planned for implementation in calendar Q2 2019. The producing Cuisinier-24 well will be converted to an injector using produced water from the Cuisinier-6 and Cuisinier-7 wells, as pipelined to the Cuisinier-24 location. Upon success, the pressure maintenance program is expected to be implemented across the field, in multiple stages.

The Cuisinier field has produced approximately 3% of the 102 million barrels of Proved plus Probable (“2P”) discovered Oil Initially-In-Place (OIIP), as presented in the GLJ Petroleum Consultants Ltd.’s independent reserve assessment and evaluation prepared with an effective date of March 31, 2018 (for further information on Bengal’s reserves, see Bengal’s press release dated June 19, 2018). A field wide pressure maintenance program is expected to



help raise reservoir pressure and reduce natural pool production decline while significantly increasing recovery from this high quality Murta reservoir.

“It is exciting to see that a water injection pilot will soon be implemented at Cuisinier,” said Chayan Chakrabarty. “We believe that the Murta formation at Cuisinier is an ideal waterflood candidate, given the reservoir and crude oil characteristics and the low gas oil ratio in the reservoir. We expect to see a quick response in the offsetting producers, increasing oil recovery and adding to the reserves potential of the field.”

It is expected that Bengal’s strong field netback position will continue through the development of the aforementioned projects, resulting in increased cash flow due to the expected improvement in production. As the current US\$47 hedging program will be replaced by more profitable hedges beginning January 1, 2019 and, assuming Brent crude oil price averaging US\$70/barrel to US\$75/barrel in 2019, Bengal can expect to realize operating netbacks in the AUS\$60/barrel to AUS\$65/barrel range.

About Bengal

Bengal Energy Ltd. is an international junior oil and gas exploration and production company with assets in Australia. The Company is committed to growing shareholder value through international exploration, production and acquisitions. Bengal’s common shares trade on the Toronto Stock Exchange 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 forward-looking 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 current commodity price environment; the impact of economic conditions in North America, Australia 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. Bengal believes 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 timing of the frac operations on Cuisinier-19; expectations in respect of the 2019 Cuisinier drilling campaign, including timing thereof, the number and types of wells to be drilled and the targets of such wells; the timing of implementation of the water injection pilot; the expectations regarding the conversion of Cuisinier-24 and related pressure maintenance program; the response of offsetting producers in the Cuisinier field to water injection; the anticipated increase in Cuisinier field production resulting from the pressure maintenance program; the expected increase in operating netbacks and related increase in cash flow and improved production; and the assumption of increase in Brent oil price. 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 commence the 2019 Cuisinier drilling campaign in the anticipated time frame or at all; the failure to receive positive results from the water injection pilot; the failure to maintain current operating netbacks; Bengal’s development and exploration opportunities; fluctuations in commodity prices, foreign exchange or interest rates; 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 and Australia; increased competition; the availability of qualified operating or management personnel; 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 management's discussion and analysis 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.

Future Oriented Financial Information

To the extent that any forward-looking statements presented herein constitutes future-oriented financial information or a financial outlook (collectively, "FOFI"), as such terms are defined in applicable securities laws, such information has been presented to provide Bengal management's expectations based on a number of assumptions, including the assumptions presented herein, and such information may not be appropriate for other purposes. The actual results of operations of Bengal and the resulting financial results will likely vary from the amounts presented in this news release, and such variation may be material. Bengal and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Bengal undertakes no obligation to update such FOFI.

Netbacks

Netback is a term commonly used in the oil and gas industry that is not defined under International Financial Reporting Standards and is used by Bengal as a supplemental measure in evaluating Bengal's financial position and performance. Bengal calculates netbacks as revenues minus royalties and transportation and operation costs divided by the total production of the Company measured in BOE or barrels. The Company's calculation of netback included herein may differ from the calculation of similar measures by other issuers. Therefore, the Company's netback measure may not be comparable to other similar measures used by other issuers. For additional details relating to these non-IFRS measures, see Bengal's most recent management's discussion and analysis.

Oil and Gas Advisory

The reserves information contained in this news release has been prepared in accordance with NI 51-101. Complete NI 51-101 reserves disclosure are included in Bengal's annual information form for the year ended March 31, 2018 filed on SEDAR June 28, 2018. Listed below are cautionary statements applicable to our reserves information that are specifically required by NI 51-101:

- (a) The recovery and reserve estimates of the Company's crude oil, natural gas liquids and natural gas reserves provided in this news release are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.*
- (b) Reserves included herein are stated on a company interest basis (before royalty burdens and including royalty interests) unless noted otherwise as well as on a gross and net basis as defined in NI 51-101. "Company interest" is not a term defined by NI 51-101 and as such the estimates of Company interest reserves herein may not be comparable to estimates of "gross" reserves prepared in accordance with NI 51-101 or to other issuers' estimates of company interest reserves.*
- (c) In this news release, the Company has referred to discovered OIIP, meaning discovered oil initially-in-place or "discovered petroleum initially-in-place". Discovered petroleum initially-in-place is the quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially-in-place includes production, reserves and contingent resources; the remainder is unrecoverable. A recovery project cannot be defined for these volumes of discovered petroleum initially-in-place at this time. There is no certainty that it will be commercially viable to produce any portion of the resources.*

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Barrels of Oil Equivalent

When converting natural gas to equivalent barrels of oil, Bengal uses the widely recognized standard of 6 mcf to one BOE. However, a BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 million cubic feet: 1 barrels 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.

Internal Estimates

Certain information contained herein is based on estimated values the Company believes to be reasonable and are subject to the same limitations as discussed under "Forward-looking Statements" above.



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