

# Bengal Energy Announces Term Sheet for a US\$20 Million Secured Credit Facility and Provides 2014 Cuisinier Exploration Program Update

27.05.2014 | [Marketwired](#)

CALGARY, ALBERTA--(Marketwired - May 27, 2014) - [Bengal Energy Ltd. \(TSX:BNG\)](#) ("Bengal" or the "Company") is pleased to announce that it has signed an indicative term sheet for a US \$20.0 million secured credit facility (the "Facility") with a leading Australian commercial bank (the "Lender"), and provides an update on its Cuisinier exploration program.

## US \$20 Million Secured Credit Facility

The Facility contemplates a borrowing base of up to US \$20 million, over a three year term at attractive fixed income market rates tied to USD LIBOR to fund its ongoing Australian development. The Company has thoroughly stress tested its existing production base to ensure that this Facility and Bengal's existing unsecured debt are fully serviceable in multiple commodity price scenarios.

The initial draw on the Facility will fund past costs associated with the Company's Cuisinier Phase 1 drilling program and further draws are expected to fully fund its Australian development through March 2015 as well as anticipated future development. With the Facility in place, Management expects to be able to fund future planned exploration activities in India and Australia through internally generated cash flows.

The Facility remains subject to the completion of due diligence by the Lender and the entering into of a final Offer to Finance with Bengal and will remain open for a fixed period to allow Bengal to review other competitive lending proposals received. Management expects an average cost of capital over the term of its finalized Facility to be within the range of five to seven percent.

"The establishment of a reserve-based facility by a leading international bank provides another milestone in the development of Bengal's world-class Cuisinier oil play. The Facility provides greater financial flexibility and enhanced predictability of our free cash flow," said Chayan Chakrabarty, Bengal's President and CEO. "Together with our existing cash flow and working capital, this Facility will provide us with the capital needed to fund our ongoing capital program, offer us the flexibility to finance additional development opportunities, and free up internally generated cash flows for the financing of other potential exploration opportunities in Australia and India."

Bengal's existing CAD \$8 million (10% coupon) and CAD \$1.8 million (10% coupon) unsecured notes remain outstanding with maturities on July 31, 2015 and January 31, 2016 respectively.

## Cuisinier 2014 Exploration Program Update

As previously announced, Bengal and its joint venture partners plan to drill two exploration wells in the second and third quarters of calendar 2014 in the Cuisinier (Barta Sub Block, ATP 752) area. These two exploration wells will target both the Cuisinier-type productive Murta zone, as well as the deeper Birkhead and Hutton zones. The Birkhead and Hutton formations have shown initial production rates ranging from 500 to over 1,000 Bopd in other Cooper Basin analog pools.

The first well is currently scheduled to spud in early June, with the second well planned for mid-August 2014. Both wells will target independent structural closures within the Company's Cuisinier North 3D area

immediately adjacent to the Cook and Cuisinier oil fields.

In addition, Bengal expects to participate in a number of well stimulation interventions in the Cuisinier Pool expected to increase production rates from selected wells. This well stimulation program is expected to take place during the third and fourth quarters of this calendar year.

The Company also anticipates the completion and tie-in of its four remaining development wells drilled at Cuisinier to begin in mid-July, and brought on-line in September 2014.

Bengal also advises that an updated presentation will be posted on the Company's website on May 30, 2014, containing additional information about its operations and strengthened financial position.

### **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](http://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 entering into a US\$20 million credit facility, the timing to drill two exploration wells in Cuisinier North 3D area, conducting select well stimulations, the timing to complete and tie-in four wells at Cuisinier and the realization of the impact of such new production.*

*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. Further, certain noted production information provided in this press release may constitute "analogous information" under applicable securities legislation, such as production*

*rates from wells drilled by other industry participants located in geographical proximity to lands held by the Company. This information is derived from publicly available information sources that the Company believes are predominantly independent in nature however readers are cautioned that the information may be in error, may not be analogous to the Company's land holdings and/or may not be representative of actual results of wells anticipated to be drilled or completed by the Company in the future. 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 required pursuant to applicable securities laws.*

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<https://www.rohstoff-welt.de/news/174436--Bengal-Energy-Announces-Term-Sheet-for-a-US20-Million-Secured-Credit-Facility-and-Provides-2014-Cuisinier-Ex>

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