

CALGARY, ALBERTA--(Marketwired - May 4, 2017) - [Bengal Energy Ltd.](#) (TSX:BNG) ("Bengal" or the "Company") today announces its exploration and operational update.

EXPLORATION UPDATE:

Natural Gas Demand

In Australia, the significant increase in demand associated with newly commissioned liquefied natural gas ("LNG") export projects suggests that the Eastern Australia gas market will need significant new supply of natural gas in the medium term.

The strong natural gas demand environment has continued to develop in Eastern Australia irrespective of crude pricing, which has begun to impact the exploration industry as a whole. This looming natural gas shortage is evidenced by recent spikes seen in the Australian East Coast spot gas markets to greater than AUS \$20 per gigajoule.

ATP 934 Background

Bengal holds a 71.43 percent working interest and operatorship in the ATP 934 permit. The permit is now in Year 2 having met the Year 1 permit commitment with the reprocessing of the existing 580 line kms of 2D data. Planning for the Year 2 commitment program, a 260 sq. km 3D seismic acquisition program is well underway with favourable acquisition contractor bids in hand.

The permit is located near and bordered by successful wells drilled in new gas plays. ATP 934 is also surrounded by gas fields on all sides, five of which have produced a cumulative 93 Bcf of natural gas and associated liquids to June 2016 and continue to produce at an average rate of approximately 18 MMcfd (June 2016). No wells have been drilled on ATP 934.

Tenements lying to the north and west of the permit have been actively drilled over the past 24 months with 100% success. The 3D seismic covering these adjacent tenements is now available in the public domain.

Bengal's view of the potential for significant gas discoveries on the ATP 934 permit is strongly supported by both 2D and 3D seismic data, which significantly improves prospect imaging and provides greater detail of the reservoir geology and structural controls. To date, Bengal has identified and mapped a total of five individual drilling prospects with targeted drill depths between 2,700 and 2,900 metres on the permit. An additional tight gas resource potential has also been identified by Bengal on the block. The five high-graded 'conventional' prospect areas total over 107 sq. kms.

Bengal believes that the permit has the potential to become a substantial new gas supply and to provide a valuable contribution to the East Coast gas market.

ATP 732 Tookoonooka Block

The Company continues to plan further activity on this block and as of March 31, 2017 has relinquished 33.33% of the land block pursuant to the mandatory relinquishment requirement for the permit under the Queensland legislation. The relinquished area was drilled unsuccessfully by previous operators and was not core to the high-graded prospect areas on the retained acreage. While there are no outstanding commitments on this permit, Bengal is currently studying the Permian gas potential along the northern flank of the permit as well as the largely unexplored oil potential in the southern part of the permit closer to the producing Jackson/Jackson South Field which has produced over 49 million barrels of oil to date.

OPERATIONAL UPDATE:

ATP 752 Barta Block Cuisinier

During calendar Q1 2017, the Company completed, pipeline connected and equipped to pump four wells from its 2016 drilling program (Cuisinier 22, Cuisinier 24, Cuisinier 25 and Shefu 1). These four wells are expected to be on-stream during May and early June 2017 with initial production rates expected to be in line with those from previous Bengal drilling programs. In addition, successful results from the fracture stimulation programs on the five wells carried out during 2015/2016 are expected to lead to further targeted stimulation activity during 2017.

The near-field exploration well Shefu-1 confirms a westerly extension of the Cuisinier pool within PL303. The Murta oil pay zone at Shefu 1 is structurally lower than previously encountered during appraisal drilling at Cuisinier, therefore lowering the "lowest known oil" for the area. Bengal's internal estimates suggest that this Shefu-1 result has the potential to materially increase the

areal extent of the Cuisinier oil field and its oil in place and reserves, given that the Murta reservoir in the Shefu-1 area is well outside of Bengal's 1P, 2P and 3P reserves areas booked pursuant to Bengal's independent reserves evaluation dated March 31, 2016.

The Barta Joint Venture has now finalized its plans for the acquisition of the Barta West 3D seismic program which is expected to commence in June 2017. This seismic program is designed to further define potential drilling locations and will cover an estimated 250 sq. kms, which could result in further pool expansion to the west and south of current boundaries. Bengal views the Barta West area as a continuing natural extension from the de-risked Cuisinier pool area and has mapped numerous prospects on existing 2D seismic covering in excess of 110 sq. kms.

Bengal will be releasing its annual independent reserves evaluation information along with its year-end financial information before the June 29, 2017 filing deadline.

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 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 and 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. 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 potential for significant gas discoveries and new gas supply on ATP 934; the timing and plans of further activity on ATP 732; the timing and results of the four wells at Cuisinier coming onstream; the timing of further stimulation activity at Cuisinier; the potential for Shefu 1 results to increase the areal extent of the Cuisinier oil field and its oil in place and reserves and the timing of the Barta West 3D seismic 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 and Australia; 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, 2016 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.

Analogous Information

Certain information provided in this news release may constitute "analogous information" under applicable securities legislation, such as reserve and resource estimates or the reserves and resources present on the Company's lands, and nearby lands, total production and production-rates from wells drilled by the Company or other industry participants located in geographical proximity to lands held by the Company. This information is derived from publicly available information sources (as at the date of this news release) that the Company believes are predominantly independent in nature. The Company believes this information is relevant as it helps to define the reservoir characteristics in which the Company may have an interest. The Company is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor or in accordance with

the Canadian Oil and Gas Evaluation Handbook and therefore, the reader is cautioned that the data relied upon by the Company 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

Certain Defined Terms

Bcf - billion cubic feet

MMcfd - million cubic feet per day

Contact

[Bengal Energy Ltd.](#)

Chayan Chakrabarty

President & Chief Executive Officer

(403) 205-2526

investor.relations@bengalenergy.ca

www.bengalenergy.ca

[Bengal Energy Ltd.](#)

Jerrad Blanchard

Chief Financial Officer

(403) 205-2526

investor.relations@bengalenergy.ca

www.bengalenergy.ca