

Bengal Energy Announces Credit Facility Amendment and 2019 Drilling Program Update

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CALGARY, Nov. 19, 2018 - [Bengal Energy Ltd.](#) (TSX: BNG) ("Bengal" or the "Company") announces that it has entered into an amendment (the "Amendment") to its secured credit facility (the "Credit Facility") with the Australian based Westpac Institutional Bank ("Westpac"), which includes a 14 month deferral of all principal payments on the Credit Facility. Pursuant to the Amendment, the Credit Facility has a new maturity date of February 15, 2020 (the "New Maturity Date") and provides the continuance of the borrowing base of US\$12.5 million, of which the full amount is currently drawn.

The Company will now be required to make a single principal repayment of US\$12.5MM on the New Maturity Date, with no principal payments being required until such date. There were no changes to the covenants and cash sharing requirements under the Credit Facility.

The Company is now planning to undertake the following development activities in calendar 2019, to be funded from the Company's cash balance and cash flows:

- A six well drilling program on the Barta Permit, ATP 752, including one exploration well; and
- A water injection pilot project deployed within the Cuisinier oil field on the Barta Permit.

Bengal will continue to hedge approximately 50% of its crude oil production as required under the Credit Facility.

"This extension demonstrates the strong support from our lenders at Westpac and delivers additional value to our shareholders," said Chayan Chakrabarty, Bengal's President and CEO. "The financial flexibility afforded by the extension provides additional liquidity to move forward with our aggressive development drilling program in 2019 targeted at growing our production, cash flow and reserves base, which in turn positions us well for continuing further development of the Cuisinier oil field."

Copies of the Credit Facility, including the Amendment, are available under the Company's profile on [www.sedar.com](#).

CALENDAR 2019 DEVELOPMENT PROGRAM:

- Hydraulic Stimulation Program – In December 2018, the Company and its joint venture partners will hydraulically stimulate the Cuisinier-19 well and are expected to connect it for production by the end of 2018. This well encountered a 12.5 m thick, oil-bearing section of Murta sandstone and is in a portion of the oil field anticipated to have virgin reservoir pressure. Additional locations potentially suitable for stimulation continue to be identified by Bengal for upcoming programs.

- 2019 Drilling Program – Bengal and its joint venture partners on the ATP 752 Barta Block (Bengal’s working interest is 30.357%.) will participate in a six-well drilling program commencing in Q2 2019. Five of the six wells in this drilling program will be located in the Cuisinier oil field aimed at high graded targets for productivity, reserves growth and pool expansion. The sixth well will be an exploration well on the Barta permit, proximal to the Cuisinier pool. Two of the five wells will be directly offsetting the planned water injection pilot, bringing the total number of wells expected to be impacted by injection to five, thus complementing the goals of the water injection pilot to enhance reservoir performance in that area of the pool. Another two wells are located in the northwest portion of the pool where thick Murta reservoir has been established in existing wells (Cuisinier-1 & -4). These wells are targeting increased production while extending this mapped trend, potentially increasing reserves while providing a site for potential water injection expansion in future phases. The fifth well is located west of the Cuisinier-19 well, in an area where seismic attribute mapping highlights the potential for significant reservoir sand development. A successful outcome at this location could provide a new development platform for subsequent years’ drilling. The location of the exploration well is yet to be confirmed among the joint venture partners. There are a number of dual target features inside the Cuisinier PL 303 and immediately adjacent to Cuisinier.
- Water Injection Pilot – A water injection pilot project is expected to commence at Cuisinier in Q2 2019. This program is designed to begin increasing pressure in the Cuisinier pool and thereby increase the expected oil recovery and enhance productivity and reserves. The location of the water injection pilot was based on the well to well correlation of both reservoir sand and reservoir pressure, suggesting a high degree of continuity. Bengal expects the response to injection at Cuisinier-24 to be recognized early through close monitoring of all the wells offsetting injection.

“The 2019 development program represents \$5.0 million of net capital expenditures and is expected to bring with it an exciting step change in production and cash flow for the company,” said Chayan Chakrabarty, Bengal’s President and CEO. “The program is a well balanced portfolio expected to significantly expand the Cuisinier platform supporting the Company’s growth beyond 2019.”

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’, ‘prospect’, ‘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

expected benefit of the Amendments to the Company; the Company's hedging program; the Company's expected growth activities and development forecast in calendar 2019 and the funding sources for such activities; and the expected expansion of the Company's Cuisinier platform as a result of the 2019 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: further amendments to, and extensions of, the Credit Facility; the ability of the Company to complete the 2019 development program and activities as outlined in this news release or at all; failure to obtain the expected results from the water injection pilot; liabilities inherent in oil and natural gas operations; 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; uncertainties associated with estimating oil and natural gas reserves; increased competition for, among other things: capital, acquisitions of reserves, undeveloped lands and skilled personnel; the availability of qualified operating or management personnel; incorrect assessment of the value of acquisitions; fluctuations in commodity prices, foreign exchange or interest rates; inability to meet commitments due to inability to raise funds or complete farm-outs; geological, technical, drilling and processing problems; changes in laws and regulations including, without limitation, the adoption of new environmental, royalty and tax laws and regulations and changes in how they are interpreted and enforced; Bengal's development and exploration opportunities; the results of exploration and development drilling and related activities; the ability to access sufficient capital from internal and external sources; and counter-party credit risk, stock market volatility and market valuation of Bengal's stock. Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, which the reserves described, can be profitably produced 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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