

CALGARY, ALBERTA--(Marketwired - May 4, 2016) - [Bengal Energy Ltd.](#) (TSX:BNG) ("Bengal" or the "Company") announces the results of its independent reserve evaluation for the year ended March 31, 2016 as prepared by GLJ Petroleum Consultants Ltd. ("GLJ"). The Company's annual audit of its financial statements is not yet complete and accordingly all financial amounts referred to in this press release are estimates and are subject to revision. Complete reserves disclosure will be included in Bengal's annual information form for its fiscal year ended March 31, 2016, which is expected to be filed in mid-June 2016.

HIGHLIGHTS

- Bengal's proved plus probable reserves (Company interest) as evaluated by GLJ as at March 31, 2016 increased 9% to 6,200 MBOE from 5,712 MBOE at March 31, 2015. The Company's proved reserves (Company interest) as at March 31, 2016 increased 1% to 2,212 MBOE from 2,193 MBOE as at March 31, 2015.
- The net present value of Bengal's estimated future net revenue before income taxes from proved plus probable reserves as at March 31, 2016 and utilizing GLJ's April 1, 2016 price forecast and discounted at 10%, is \$103.8 million, equivalent to \$1.42 per share. The net present value of Bengal's estimated future net revenue before income taxes from total proved reserves as at March 31, 2016 is \$33.4 million, utilizing GLJ's April 1, 2016 price forecast and discounted at 10%.
- Production in the fourth fiscal quarter of 2016 averaged 463 barrels of oil equivalent per day ("boepd"), a 10% decrease from fiscal Q4 2015 and a 10% increase from the previous quarter. Full year fiscal 2016 production increased 10% to 506 boepd compared to the prior year.
- Reserve replacement was 110% on proved reserves and 368% on proved plus probable reserves.

NET ASSET VALUE

The following table provides a calculation of Bengal's estimated net asset value and net asset value per share as at March 31, 2016 based on the estimated future net revenues associated with Bengal's proved plus probable reserves discounted at 10% and utilizing GLJ's April 1, 2016 price forecast, as presented in the GLJ Report.

Bengal's estimated net asset value per (basic) share as at March 31, 2016 is calculated at \$1.42 on a before-tax, and \$0.93 on an after-tax basis. Net asset value as presented excludes land and exploration value and is calculated using 10% NPV proved and proved plus probable reserves values, less net debt of \$7 million (estimated March 31, 2016 working capital and hedge value less outstanding debt).

MARCH 31, 2016

| (CDN \$MM, \$/SHARE) | BEFORE TAX | | AFTER TAX | |
|----------------------------|-----------------|-----------------------------|-----------------|-----------------------------|
| RESERVES CATEGORY: | Net Asset Value | Net Asset Value/basic share | Net Asset Value | Net Asset Value/basic share |
| TOTAL PROVED | 26.3 | 0.39 | 26.0 | 0.38 |
| TOTAL PROVED PLUS PROBABLE | 96.8 | 1.42 | 63.1 | 0.93 |

Notes:

- (1) The Company's common shares outstanding at March 31, 2016 (basic) were approximately 68.2 million.
- (2) Fiscal 2016 figures include information based on estimated unaudited financial results that may change on the completion of the audited financial statements.

OPERATIONS UPDATE

The Company continues to focus on drilling-based growth opportunities in Australia's Cooper Basin, where well costs including drilling completion and tie-in have seen an estimated 30-40% reduction since the Company's 2014/2015 drilling campaign. Reduced drilling costs and ongoing efforts to reduce variable operating expenditures, combined with the de-risking of future development locations following the Company's successful 2015 fracture stimulation program provide the opportunity for sustainable and profitable growth in the Cooper Basin despite the uncertain commodity price environment.

Bengal is currently evaluating its development, appraisal and exploratory drilling opportunities within the Cooper Basin, with the hope of finalizing a multi-well drilling and fracture stimulation program during the second half of calendar 2016. The Company will provide further update on its upcoming operations when the activity plans are finalized.

CORPORATE RESERVES

The reserves data set forth below is based upon an independent reserve assessment and evaluation prepared by GLJ with an effective date of March 31, 2016 (the "GLJ Report"). The following presentation summarizes the Company's crude oil, natural gas liquids and natural gas reserves and the net present values before and after income taxes of future net revenue for the Company's reserves using forecast prices and costs based on the GLJ Report. The GLJ Report has been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") and the reserve definitions contained in National Instrument

All evaluations and reviews of future net cash flows are stated prior to any provisions for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. It should not be assumed that the estimates of future net revenues presented in the tables below and in the "Highlights" section above represent the market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances from these assumptions could be material. The recovery and reserve estimates of our crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas liquids and natural gas liquids reserves may be greater than or less than the estimates provided herein.

All of Bengal's reserves are located in Australia. In discussion with GLJ during the preparation of the GLJ Report, the reserves previously attributed to the Company's Oak, British Columbia and Toparoa, Australia properties were written off during the year ended March 31, 2016 and, as such, no reserves have been attributed in the GLJ Report for the year ended March 31, 2016.

Reserves Summary

The Company's total proved plus probable reserves increased by 9% in fiscal 2016 to 6,204 MBOE. Proved reserves increased by 1% to 2,212 MBOE and comprised 36% of the Company's total proved plus probable reserves. Proved undeveloped reserves are 82% of the total proved reserves. The future capital in the GLJ Report (undiscounted) is \$83.6 million for the proved and probable reserves and is \$32.9 million for total proved reserves. The future capital is programmed over a 9 year time period for proved plus probable reserves and 5 year time period for proved reserves.

The following table provides summary reserve information based upon the GLJ Report and using the published GLJ April 1, 2016 price forecast.

Reserves Data (Forecast Prices and Costs)

SUMMARY OF OIL AND GAS RESERVES

AS OF MARCH 31, 2016

FORECAST PRICES AND COSTS

| TOTAL RESERVES CATEGORY: | LIGHT CRUDE OIL AND MEDIUM CRUDE OIL | | HEAVY CRUDE OIL | | CONVENTIONAL NATURAL GAS | |
|--------------------------------|--------------------------------------|---------------|-----------------|---------------|--------------------------|---------------|
| | Gross (Mbbl) | Net (Mbbl) | Gross (Mbbl) | Net (Mbbl) | Gross (Mbbl) | Net (MMcf) |
| TOTAL | | | | | | |
| Proved Developed | | | | | | |
| Producing | 382 | 353 | - | - | - | - |
| Non-Producing | 12 | 11 | - | - | - | - |
| Proved undeveloped | 1,817 | 1,677 | - | - | - | - |
| TOTAL PROVED | 2,212 | 2,041 | - | - | - | - |
| PROBABLE | 3,992 | 3,683 | - | - | - | - |
| TOTAL PROVED PLUS PROBABLE | 6,204 | 5,725 | - | - | - | - |

Notes:

- (1) "Gross" reserves are Company's working interest reserves (operating and non-operating) before the deduction of royalties and without including any royalty interest of the Company.
- (2) "Net" reserves are Company's working interest reserves (operating and non-operating) after deductions of royalty obligations plus the Company's royalty interests.
- (3) BOE amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil 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 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 mcf: 1 bbl, utilizing a conversion ratio of 6 mcf: 1 bbl may be a misleading indication of value.
- (4) The numbers in this table may not add exactly due to rounding.

Future Net Revenue Values

The estimated net present values ("NPV") of future net revenues associated with Bengal's reserves effective March 31, 2016 and based on the published GLJ April 1, 2016 future price forecast are summarized in the following tables:

Future Net Revenue Data (Forecast Prices and Costs)

SUMMARY OF NET PRESENT VALUES

OF FUTURE NET REVENUE

AS OF MARCH 31, 2016
FORECAST PRICES AND COSTS

| TOTAL (\$M) | BEFORE INCOME TAXES DISCOUNTED AT (%/year) | | | | | AFTER INCOME TAXES DISCOUNTED AT (%/year) | | | | | UNIT VALUE BEFORE INCOME TAXES (\$/bbl) |
|----------------------------|---|---------|---------|--------|--------|--|---------|--------|--------|--------|--|
| | 0% | 5% | 10% | 15% | 20% | 0% | 5% | 10% | 15% | 20% | |
| PROVED | | | | | | | | | | | |
| Developed Producing | 8,272 | 7,937 | 7,495 | 7,044 | 6,620 | 8,272 | 7,937 | 7,495 | 7,044 | 6,620 | 21.50 |
| Developed Non-Producing | 351 | 311 | 277 | 249 | 224 | 351 | 311 | 277 | 249 | 224 | 24.00 |
| Undeveloped | 47,229 | 34,668 | 25,606 | 19,101 | 14,377 | 39,369 | 29,502 | 22,105 | 16,666 | 12,644 | 15.00 |
| TOTAL PROVED | 55,852 | 42,915 | 33,379 | 26,394 | 21,221 | 47,992 | 37,749 | 29,878 | 23,958 | 19,488 | 16.50 |
| Probable | 162,896 | 105,013 | 70,477 | 49,242 | 35,680 | 112,445 | 73,554 | 49,860 | 35,178 | 25,768 | 19.00 |
| TOTAL PROVED PLUS PROBABLE | 218,748 | 147,928 | 103,856 | 75,635 | 56,901 | 160,437 | 111,303 | 79,738 | 59,137 | 45,256 | 18.00 |

Notes:

- (1) NPV of future net revenue includes all resource income: sale of oil, gas by-product reserves; processing of third party reserves; and other income.
- (2) Income taxes includes all resource income, appropriate income tax calculations and prior tax pools.
- (3) The unit values are based on working interest reserve volumes before income tax (BFIT).
- (4) The numbers in this table may not add exactly due to rounding.
- (5) The estimated values disclosed do not represent fair market value.

TOTAL FUTURE NET REVENUE
(UNDISCOUNTED)
AS OF MARCH 31, 2016
FORECAST PRICES AND COSTS

| (\$M) Reserves Category: | Revenue | Royalties | Operating Costs | Development Costs | Abandonment and Reclamation Costs ⁽³⁾ | Future Net Revenue Before Income Taxes | Future Net Income Before Taxes | Future Net Revenue After Income Taxes |
|--------------------------------|---------|-----------|--------------------|----------------------|---|---|--------------------------------------|--|
| TOTAL PROVED | 207,960 | 16,035 | 98,223 | 32,934 | 4,915 | 55,852 | 7,860 | 47,992 |
| TOTAL PROVED PLUS PROBABLE | 652,280 | 50,441 | 288,317 | 83,598 | 11,177 | 218,748 | 58,310 | 160,437 |

Notes:

- (1) Reference Item 2.1(3) of Form 51-101F1.
- (2) The numbers in this table may not add exactly due to rounding.
- (3) Reflects estimated abandonment and reclamation for all wells (both existing and undrilled wells) that have been attributed reserves.
- (4) The estimated values disclosed do not represent fair market value.

FUTURE NET REVENUE
BY PRODUCT TYPE
AS OF MARCH 31, 2016
FORECAST PRICES AND COSTS
(Before income taxes and discounted at 10% per year)

| Reserve Category | Production Group | (\$M) | (\$/bbl) |
|------------------|--|---------|----------|
| Proved | Light Crude Oil and Medium Crude Oil (Including solution gas and associated by-products) | 33,379 | 16.50 |
| | Heavy Crude Oil (Including solution gas and associated by-products) | - | - |
| | Conventional Natural Gas (Including associated by-products but excluding solution gas and by-products from oil wells) | - | - |
| | Total Proved | 33,379 | 16.50 |
| Proved Plus | Light Crude Oil and Medium Crude Oil (Including solution gas and associated by-products) | 103,856 | 18.00 |
| Probable | Heavy Crude Oil (Including solution gas and associated by-products) | - | - |

Conventional Natural Gas
(Including associated by-products but excluding solution gas and by-products from oil wells)

Total Proved Plus Probable

103,856 1

Notes:

- (1) Unit values are based on the Company's net reserves.
- (2) The estimated values disclosed do not represent fair market value.

Price Forecast

The GLJ April 1, 2016 price forecast is summarized as follows:

| Year | \$US/\$Cdn Exchange Rate | WTI @ Cushing | Brent crude oil | Edmonton light crude oil | Hardisty Heavy 12 API | Natural gas at AECO-C spot | Westcoast Station 2 |
|------------|--------------------------------|------------------|-----------------------|-----------------------------------|-----------------------------|-------------------------------------|------------------------|
| | | (US\$/ bbl) | (US\$/ bbl) | (C\$/ bbl) | (\$Cdn/ bbl) | (C\$/ MMbtu) | (C\$/ MMbtu) |
| 2016 Q1 | 0.7276 | 33.43 | 35.11 | 40.84 | 19.02 | 1.85 | 1.41 |
| 2016 Q2-Q4 | 0.750 | 45.00 | 46.00 | 55.33 | 36.36 | 1.90 | 1.50 |
| 2017 | 0.750 | 51.00 | 53.00 | 62.67 | 42.84 | 3.12 | 2.72 |
| 2018 | 0.775 | 56.00 | 59.00 | 65.81 | 46.74 | 3.30 | 2.90 |
| 2019 | 0.800 | 61.00 | 64.00 | 70.00 | 51.15 | 3.51 | 3.21 |
| 2020 | 0.825 | 66.00 | 69.00 | 73.94 | 55.53 | 3.71 | 3.46 |
| 2021 | 0.850 | 71.00 | 74.00 | 77.65 | 59.37 | 3.80 | 3.55 |
| 2022 | 0.850 | 75.00 | 78.00 | 82.35 | 64.10 | 4.00 | 3.75 |
| 2023 | 0.850 | 79.00 | 82.00 | 87.06 | 68.39 | 4.20 | 3.95 |
| 2024 | 0.850 | 83.00 | 86.00 | 91.76 | 72.73 | 4.39 | 4.14 |
| 2025 | 0.850 | 86.05 | 89.64 | 94.20 | 76.53 | 4.48 | 4.23 |
| Thereafter | 0.850 | +2%/yr | +2%/yr | +2%/yr | +2%/yr | +2%/yr | +2%/yr |

Note:

- (1) Inflation is accounted for at 2% per year.

Comparison of Reserves and Values

The following table provides a comparison of Bengal's independent reserves summaries as evaluated by GLJ as at March 31 2016 (based on published GLJ April 1, 2016 price forecast) and at March 31 2015 (based on published GLJ April 1, 2015 price forecast). NPVs shown are associated with all of Bengal's reserves before income taxes and discounted at 10%/year.

COMPARISON OF BENGAL'S OIL AND GAS RESERVES AND VALUES
COMPANY INTEREST (GROSS) BASIS

| TOTAL | MARCH 31, 2015 ⁽⁴⁾ Reserves (Mboe) NPV (Gross) (\$M) ⁽⁵⁾ | MARCH 31, 2016 Reserves (Mboe) NPV (Gross) (\$M) ⁽⁵⁾ |
|----------------------------|--|---|
| RESERVES CATEGORY: | | |
| PROVED DEVELOPED PRODUCING | 509 17,056 | 382 7,495 |
| TOTAL PROVED | 2,193 43,269 | 2,212 33,379 |
| TOTAL PROVED PLUS PROBABLE | 5,712 118,406 | 6,204 103,856 |

Notes:

- (1) "Gross" reserves are Company's working interest reserves (operating and non-operating) before the deduction of royalties and without including any royalty interest of the Company.
- (2) BOE amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil 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 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 mcf: 1 bbl, utilizing a conversion ratio of 6 mcf: 1 bbl may be a misleading indication of value.
- (3) The numbers in this table may not add exactly due to rounding.
- (4) The information relating to the Company's reserves and NPV as at March 31, 2015 is based upon the reserves assessment and evaluation of GLJ with an effective date of March 31, 2015 and is disclosed in the Company's annual information form for the year ended March 31, 2015.

(5) NPV is calculated based on forecast prices and costs, discounted at 10% and utilizing GLJ's April 1, 2016 price forecast, as presented in the GLJ Report.

About Bengal

[Bengal Energy Ltd.](http://www.bengalenergy.ca) is an international oil and gas exploration and production company with producing and prospective light oil and weighted assets in Australia and India. Bengal offers exposure to lower risk, current production and cash flow, combined 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 available on our website at www.bengalenergy.ca.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy the securities in any jurisdiction. The common shares of Bengal will not be and have not been registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States, or to a U.S. person, absent registration or applicable exemption therefrom.

Cautionary Statements

Unaudited financial information

Certain financial and operating information included in this press release for the year ended March 31, 2016, such as finding and development costs, production information, and net asset value, are based on estimated unaudited financial results for the quarter and year then ended, and are subject to the same limitations as discussed under Forward Looking Information set out below. These estimated amounts may change upon the completion of audited financial statements for the year ended March 31, 2016 and changes could be material.

Special Note Regarding Forward-Looking Information

Certain information regarding Bengal set forth in this document, including estimates of the quantities of the Company's reserves, expected operating activities in the Cooper Basin area, expected financial results for the year ended March 31, 2016 and those matters set forth under the heading "Operations Update", may constitute forward-looking statements under applicable securities laws and necessarily involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Bengal's control, including without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, environmental risks, inability to obtain drilling rigs or other services, capital expenditure costs, including drilling, completion and facility costs, unexpected decline rates in wells, wells not performing as expected, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, the United States, Australia and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, and the uncertainty of estimates and projections of production, costs and expenses. The recovery and reserve estimates of Bengal's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered.

With respect to forward-looking statements contained in this document, Bengal has made a number of assumptions. The key assumptions underlying the aforementioned forward-looking statements include assumptions regarding (among other things): the intensity of increasing competition; the general stability of the economic and political environment in which the Company operates; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in operating the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its oil and natural gas production. Certain or all of the foregoing assumptions may prove to be untrue.

Bengal's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance 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, including the amount of proceeds, that the Company will derive therefrom. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Additional information on these and other factors that could affect Bengal's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or Bengal's website (www.bengalenergy.ca).

The forward-looking statements contained in this document are made as at the date of this news release and Bengal does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

BOE Equivalency

Barrel of oil equivalents or BOEs 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 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 mcf 1 bbl, utilizing a conversion ratio of 6 mcf 1 bbl may be a misleading indication of value.

Internal estimates

Certain information contained herein, such as the financial information based on estimated unaudited financial results for the year ended March 31, 2016, are based on estimated values the Company believes to be reasonable and are subject to the same limitations as discussed under "Special Note Regarding Forward-looking Information" above.

Oil and Gas Advisory

The reserves information contained in this press release has been prepared in accordance with NI 51-101. Complete NI 51-101 reserves disclosure will be included in Bengal's annual information form for the year ended March 31, 2016 which is expected to be filed in mid-June 2016. Listed below are cautionary statements applicable to our reserves information that are specifically required by NI 51-101:

- (a) Individual properties may not reflect the same confidence level as estimates of reserves for all properties due to the effects of aggregation.*
- (b) With respect to finding and development costs, the aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.*
- (c) This press release contains estimates of the net present value of our future net revenue from our reserves. Such amounts do not represent the fair market value of our reserves.*
- (d) 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.*

Selected Definitions

The following terms used in this press release have the meanings set forth below:

"AECO" refers to a natural gas storage facility located at Suffield, Alberta

"API" means American Petroleum Institute

"bbl" means barrel

"BOE" means barrel of oil equivalent of natural gas and crude oil on the basis of 1 BOE for six thousand cubic feet of natural gas (this conversion factor is an industry accepted norm and is not based on either energy content or current prices)

"Mbbbl" means thousand barrels

"MBOE" means 1,000 barrels of oil equivalent

"Mcf" means one thousand cubic feet

"Mcfe" means one thousand cubic feet equivalent

"Mmcf" means one million cubic feet

"MMbtu" means million British Thermal Units "1M" means thousands of dollars

Contact

[Bengal Energy Ltd.](#)

Chayan Chakrabarty
President & Chief Executive Officer
(403) 205-2526

[Bengal Energy Ltd.](#)

Jerrad Blanchard
Chief Financial Officer
(403) 205-2526
investor.relations@bengalenergy.ca
www.bengalenergy.ca