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[Bengal Energy Ltd.](#) (TSX:BNG) ("Bengal" or the "Corporation") is pleased to announce that it has completed its previously announced rights offering which expired on December 28, 2016 (the "Rights Offering"). The Rights Offering was fully subscribed and resulted in aggregate gross proceeds to Bengal of \$4,090,667.76 and the issuance of 34,088,898 common shares ("Common Shares") at a subscription price of \$0.12 per Common Share (24,804,950 Common Shares being issued pursuant to the basic subscription privilege granted under the Rights Offering (the "Basic Subscription Privilege") and 9,283,948 Common Shares issued pursuant to the additional subscription privilege granted under the Rights Offering (the "Additional Subscription Privilege"). The Common Shares issued include approximately 13.37 million Common Shares which were issued, collectively, to W.B. (Bill) Wheeler ("Mr. Wheeler"), a director of Bengal, Mr. Wheeler's spouse and Texada Capital Management Ltd. ("Texada"), Bengal's largest shareholder and a corporation controlled by Mr. Wheeler, pursuant to the standby purchase agreement (the "Standby Agreement") with Texada.

No fees or commissions were paid in connection with the Rights Offering. Additional information with respect to insider participation in the Rights Offering will be provided in a subsequent news release once that information becomes available to the Corporation.

After completion of the Rights Offering, there are 102,266,694 Common Shares issued and outstanding.

Subsequent to the Rights Offering, Mr. Wheeler has ownership and control, directly or indirectly, over approximately 27 million outstanding Common Shares, representing approximately 26% of the issued and outstanding Common Shares on a non-diluted basis.

The net proceeds of the Rights Offering will be used to fund Bengal's development program on the Barta Sub-Block of ATP 752 in Australia's onshore Cooper/Eromanga Basin. This development program is expected to include the completion and tie-in of the Cuisinier oil wells drilled earlier in 2016, fracture stimulation of select Cuisinier wells, and the acquisition of Barta West 3D seismic. Completion operations on the 2016 Cuisinier wells are expected to be concluded in January 2017, to be followed by tie-in activities. The Barta West 3D seismic program will allow Bengal to further delineate and define the Shedu-1 oil discovery. Planning for the 3D seismic program is underway, with acquisition activities expected to commence following the wet season in calendar Q2 2017.

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. Bengal offers exposure to lower risk, current production and cash flow, combined with longer-term high, potential impact exploration projects. Bengal'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.

Forward looking information: Certain information set forth in this news release, including: the use of proceeds from the Rights Offering, the anticipated filing of a subsequent news release; the planned development program, the timing and completion of completion operations on the 2016 Cuisinier wells, the anticipated benefits of the Barta West 3D seismic program and the timing of commencing the 3D seismic acquisition activities, is considered forward-looking information, and necessarily involve risks and uncertainties, certain of which are beyond Bengal's control. Such risks include, but are not limited to, Bengal may reallocate the net proceeds from the Rights Offering; the timing of filing the subsequent news release; Bengal may change the development program on the Barta Sub-Block of ATP 752 in Australia's onshore Cooper/Eromanga Basin; and the results of the development program. Actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that Bengal will derive therefrom. With respect to forward-looking information contained herein, Bengal has made assumptions regarding: the use of the net proceeds from the Rights Offering. Additional information on these and other factors that could affect Bengal are included in reports on file with Canadian securities regulatory authorities, including under the heading "Risk Factors" in the rights offering circular and in Bengal's most recent annual information form, and may be accessed through the SEDAR website (www.sedar.com). Furthermore, the forward-looking information contained in this news release are made as of the date of this document, and Bengal does not undertake any obligation to update publicly or to revise any of the included forward looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities law.

The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This document shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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