

Bengal Energy Announces Closing of Private Placement and Debt Settlement

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Calgary, February 26, 2021 - [Bengal Energy Ltd.](#) (TSX: BNG) ("Bengal" or the "Company") is pleased to announce the closing of its previously announced non-brokered private placement ("Private Placement") of common shares in the capital of the Company ("Common Shares") to Texada Capital Management Ltd. ("Texada"). Bengal is also pleased to announce the closing of the transactions contemplated by the debt settlement agreement (the "Debt Settlement") with its senior secured lender Westpac Banking Corporation ("Westpac") in respect of the settlement of all indebtedness and liabilities owing by Bengal's wholly owned subsidiary Bengal Energy (Australia) Pty Ltd. ("Bengal Pty") to Westpac under its secured credit facility (the "Facility").

Under the Private Placement, Bengal issued to Texada an aggregate of 330,720,000 Common Shares at the price of CAD\$0.05 per share for aggregate gross proceeds of CAD\$16,536,000 (the "Gross Proceeds"). Comprising the Gross Proceeds, Bengal received the amount of CAD\$12,536,000 (being the Canadian dollar equivalent of USD\$10 million based on the daily average CAD\$/USD\$ foreign exchange rate published by the Bank of Canada as at February 24, 2021) on issuance of 250,720,000 Common Shares and received the amount of CAD\$4,000,000 on issuance of an additional 80,000,000 Common Shares.

The amount of USD\$10 million of the Gross Proceeds were applied by Bengal to the settlement of the principal amount owing by Bengal Pty to Westpac under the Debt Settlement. The additional Gross Proceeds of approximately CAD\$4 million will be used by the Company over the ensuing four months to satisfy current liabilities and to fund downhole remedial work on two suspended gas wells located on its Wareena petroleum lease (PL 114) and associated natural gas pipeline maintenance in the Cooper Basin of Queensland, Australia.

The Private Placement and Debt Settlement provide immediate financial stability for Bengal as it allows the Company to address its working capital deficiency and to settle all amounts owing under the Facility thereby becoming debt free with cash on hand and cash generating production operations that are enjoying recent strength in crude oil pricing.

In addition to the work at Wareena, the Company has high-impact development and exploration programs planned over the course of the next 12-14 months to be funded from Company cash flow, including:

- production testing of the Ghina well natural gas discovery (PL157) and the oil discovery on the Ramses well (PL188),
- ramp up of the Cuisinier water injection facility to design capacity, and
- exploration drilling at the Cuisinier property in H1 2022.

In addition, exploration drilling by Santos Ltd. of the Legbar farm-in well on a portion of ATP 934 is scheduled for H2 2021. The Company will have further operational updates as these programs progress and as additional programs are developed and scheduled.

Chayan Chakrabarty, the President and CEO of Bengal, commented: "The successful closing of the Debt Settlement transaction and the Private Placement not only results in the Company having no debt and the ability to deploy capital into our development and exploration programs over the near term, but it also allows us to continue working to build a viable, sustainable and growing company, for the benefit of all our stakeholders. On behalf of all of us at Bengal Energy, we thank Texada and its principal Bill Wheeler for their support."

About Bengal

[Bengal Energy Ltd.](#) is an international junior oil and gas exploration and production company with assets in Australia. Bengal's common shares trade on the TSX under the symbol "BNG". Additional information is available at www.bengalenergy.ca

CAUTIONARY STATEMENTS:

Forward-Looking Statements

This news release contains forward-looking statements regarding the use of proceeds of the Private Placement; the impact of the Private Placement and Debt Settlement on Bengal and the results thereof, including that it will allow Bengal to satisfy current liabilities, fund downhole remedial work on wells located on its Wareena petroleum lease and fund associated natural gas pipeline maintenance; anticipated timing of the Company's development and exploration programs including production testing of the Ghina well, oil discovery on the Ramses well, increasing the Cuisinier water injection facility and exploration drilling at the Cuisinier property; expected timing for drilling the Legbar farm-in well; and the Company's future growth. These forward-looking statements are provided as of the date of this news release, or the effective date of the documents referred to in this news release, as applicable, and reflect predictions, expectations or beliefs regarding future events based on the Company's beliefs at the time the statements were made, as well as various assumptions made by and information currently available to them. In making the forward-looking statements included in this news release, the Company has applied several material assumptions, including, but not limited to, that general economic and business conditions will not change in a materially adverse manner. Although management considers these assumptions to be reasonable based on information available to it, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions on which they are based do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the expectations expressed in them. These risk factors may be generally stated as the risk that the assumptions expressed above do not occur, but specifically include, without limitation, risks relating to general market conditions and the additional risks described in the Company's latest Annual Information Form, and other disclosure documents filed by the Company on SEDAR. The foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on behalf of the Company, except as required by law.

FOR FURTHER INFORMATION PLEASE CONTACT:

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