



## Bengal Energy Announces Fourth Quarter and Fiscal 2017 Year End and Reserve Results

CALGARY, Alberta, June 16, 2017 (GLOBE NEWSWIRE) -- **Bengal Energy Ltd.** (TSX:BNG) ("Bengal" or the "Company") today announces its financial and operating results for the fourth quarter and the fiscal year ended March 31, 2017 and the results of its independent reserve evaluation for the year ended March 31, 2017 as prepared by GLJ Petroleum Consultants Ltd. ("GLJ").

### FISCAL YEAR END & FOURTH QUARTER 2017 HIGHLIGHTS:

The following is an overview of the financial and operational results during the three and twelve month periods ended March 31, 2017:

#### Financial Highlights:

- | **Continued Reserve Growth** – The Company's independently evaluated year-end corporate reserve volumes have increased by 25% and 14% to 2,761 thousand barrels ("Mbbbls") and 7,056 Mbbbls for the Proved ("1P") and Proved plus Probable ("2P") reserve categories, respectively. These increases result from the impacts of the Company's ongoing capital programs. Based on 1P and 2P reserves additions, Bengal has replaced approximately 5 times and 7 times its annual corporate production, respectively.
- | **Revenue** – Crude oil sales revenue was \$2.2 million in the fourth quarter of fiscal 2017, which is 4% lower than the \$2.3 million recorded in the third quarter of fiscal 2017 and 3% lower than crude oil sales during fiscal Q4 2016. The decreases are driven by natural production declines, partially offset by increases in benchmark crude oil prices. Annual crude oil sales for fiscal 2017 were \$9.3 million compared to \$11.2 million during fiscal 2016, a 17% decline is due primarily to natural production declines.
- | **Hedging** – At March 31, 2017, the Company had 29,000 barrels of oil ("bbls") remaining in its US\$80 hedging program, which is comprised of a blend of puts and swaps with a floor price of US\$80/bbl that expire on June 30, 2017.
- | **Funds Flow from Operations** – Bengal generated funds flow from operations of \$1.6 million in the fourth quarter of 2017 compared to \$1.4 million during the previous quarter and during fiscal Q4 2016. The increase is due to reductions in operating expenses and royalty credits realized during the quarter. Annual funds from operations were \$6.2 million in fiscal 2017 compared to \$4.0 million in fiscal 2016. The 57% increase was the result of a 23% increase in realized gain on financial instruments and royalty credits described above.
- | **Earnings** – Bengal reported net income of \$1.9 million for the fourth quarter of fiscal 2017, compared to a \$2.3 million net loss in the preceding quarter and net loss of \$11.7 million in the fourth quarter of fiscal 2016. Annual net losses were \$2.8 million during fiscal 2017 compared to losses of \$10.4 million recorded in the previous year. Excluding the impact of unrealized foreign exchange and unrealized hedging gains and losses, adjusted net earnings were \$1.2 million for the fourth quarter of fiscal 2017 compared to an adjusted net loss of \$0.8 million during the previous quarter and an adjusted net loss of \$10.7 million

recorded in fiscal Q4 2016. Annual adjusted net income was \$3.6 million compared to an adjusted net loss of \$12.3 million recorded during the previous year.

- | **Rights Offering** – On December 29, 2016, the Company completed a rights offering raising \$4.0 million, net of \$0.1 million of share issue costs.

#### Operational Highlights:

- | **Production Volumes** – Production (net to Bengal) in the fourth quarter of fiscal 2017 averaged 344 barrels of oil per day (“bopd”), a 3% and 27% decrease compared to the preceding quarter and fiscal Q4 2016, respectively. These decreases were due to natural production declines. Four of the five wells drilled during fiscal 2017 were connected in May of 2017 with initial combined production rates of approximately 245 bopd (gross). These initial rates are less than pre connection expectations and continued optimization and well cleanup work is ongoing. With recent positive results from fracture stimulation programs, the Joint Venture will review the 2016 wells for stimulation in addition to planning frac programs to occur immediately after completion in future drilling campaigns. In Bengal’s opinion, operational delays experienced between completion and tie-in during the 2017 campaign may have been a contributor to longer well clean up timing and on initial reservoir performance. Bengal will continue to closely monitor production rates of the newly connected wells.
- | **Cuisinier 2016 drilling program** – All five wells drilled during the year were successful in locating oil-bearing sands and four of these wells were completed and commenced production in May 2017. The fifth well, Cuisinier-23 was suspended as a future fracture stimulation candidate following the evaluation of nearby well performance. This drilling program included one appraisal well (“Cuisinier-22”) and one exploration well (“Shefu-1”). Successful drilling of the appraisal and exploration locations have materially increased the Company’s reserve volumes by expanding the pool boundaries.
- | **Credit Facility Update** – In August 2016, the Company extended its credit facility with Westpac Banking Corporation by 18 months with a borrowing base of US\$15 million. The borrowing base, if not further extended, will follow a reduction schedule of US\$5 million in December 2017, US\$5 million in June 2018, and US\$5 million in December 2018. All associated terms and covenants are consistent with the existing facility.
- | **Onshore India** – Effective June 2016, Bengal and its partners provided notice to the applicable Government of India Authorities of its intention to exit the CY-ONN-2005/1 exploration block. The joint venture was unable to acquire the land rights required for exploration, causing a force majeure condition for the duration of the first term of exploration and is therefore entitled to exit the permit without penalty for unfinished work program commitments. Subsequent to year-end, this application was accepted by the Director General of Hydrocarbons and is awaiting final approval from the Ministry of Petroleum and Natural Gas. With the exit from the permit, the Company has effectively ceased all operations in India.

#### Reserve Highlights

- | Bengal's proved plus probable reserves (Company interest) as evaluated by GLJ as at March 31, 2017 increased 14% to 7,056 MBOE from 6,204 MBOE at March 31, 2016. The Company's proved reserves (Company interest) as at March 31, 2017 increased 25% to 2,761 MBOE from 2,212 MBOE as at March 31, 2016.
- | The net present value of Bengal's estimated future net revenue before income taxes from proved plus probable reserves as at March 31, 2017 is \$118 million, which is equivalent to \$1.15 per share utilizing the forecast prices and cost assumptions of GLJ as at March 31, 2017 and published on April 1, 2017 (the “GLJ Price Forecast”) and discounted at 10%.. The net present value of Bengal's estimated future net revenue before income taxes from

total proved reserves as at March 31, 2017 is \$45.8 million, utilizing the GLJ April 1, 2017 Price Forecast and discounted at 10%.

- The Company's Reserves Replacement Ratio (annual reserve additions versus annual production) for Proved Reserves was 498% and for Proven plus Probable Reserves was 717%.

## FINANCIAL AND OPERATING HIGHLIGHTS

\$000s except per share, volumes and netback amounts	Three Months Ended March 31			Twelve Months Ended March 31		
	2017	2016	% Change	2017	2016	% Change
Oil sales revenue	\$ 2,179	\$ 2,253	(3)	\$ 9,294	\$ 11,187	(17)
Realized gain on financial instruments	\$ 971	\$ 1,833	(47)	\$ 4,712	\$ 3,840	23
Royalties	\$ (347)	\$ 106	(427)	\$ (213)	\$ 728	(129)
% of revenue	(16)	5	(420)	(2)	7	(129)
Operating & transportation	\$ 987	\$ 1,474	(33)	\$ 4,864	\$ 6,480	(25)
Operating netback <sup>(1)</sup>	\$ 2,510	\$ 2,506	-	\$ 9,355	\$ 7,819	20
Cash from operations:	\$ 643	\$ 1,496	(57)	\$ 4,515	\$ 5,398	(16)
Funds from operations:	\$ 1,639	\$ 1,439	14	\$ 6,196	\$ 4,048	53
Per share (\$) (basic & diluted)	0.02	0.02	-	0.08	0.06	33
Net income (loss)	\$ 1,931	\$ (11,704)	(117)	\$ (2,768)	\$ (10,380)	(73)
Per share (\$) (basic & diluted)	0.02	(0.17)	(112)	(0.04)	(0.15)	(73)
Adjusted net (loss) income <sup>(2)</sup>	\$ 1,181	\$ (10,685)	(111)	\$ 3,605	\$ (12,270)	(129)
Per share (\$) (basic & diluted)	0.01	(0.16)	(106)	0.05	(0.18)	(128)
Capital expenditures	\$ 681	\$ 332	105	\$ 5,618	\$ 3,347	68
Oil Volumes (bopd)	344	469	(27)	379	505	(25)
Netback <sup>(1)</sup> (\$/boe)						
Revenue	\$ 70.40	\$ 52.83	33	\$ 67.17	\$ 60.54	11
Realized gain on financial instruments	31.37	42.98	(27)	34.06	20.78	64
Royalties	(11.21)	2.49	(550)	(1.54)	3.94	(139)
Operating & transportation	31.89	34.57	(8)	35.16	35.07	-
Netback/boe	\$ 81.09	\$ 58.75	38	\$ 67.61	\$ 42.31	60

### Notes

(1) Operating netback is a non-IFRS measure and includes realized gain on financial instruments. Netback per boe is calculated by dividing revenue (including realized gain on financial instruments) less royalties, operating and transportation costs by the total production of the Company measured in boe.

(2) Adjusted net (loss) is a non-IFRS measure. The comparable IFRS measure is net income (loss). A reconciliation of the two measures can be found in the table on page 6 of the Q4 and fiscal Year Ended Mar. 31, 2017 MD&A.

Bengal has filed its consolidated financial statements and management's discussion and analysis for the fourth fiscal quarter of 2017 and year ended March 31, 2017 with the Canadian securities regulators. The documents are available on SEDAR at [www.sedar.com](http://www.sedar.com) or by visiting Bengal's website at [www.bengalenergy.ca](http://www.bengalenergy.ca).

## 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, 2017 based on the estimated future net revenues associated with Bengal's proved plus probable reserves discounted at 10% and utilizing GLJ's April 1, 2017 price forecast, as presented in the GLJ Report (as defined below).

Bengal's estimated net asset value per (basic) share as at March 31, 2017 is calculated at \$1.06 on a before-tax, and \$0.78 on an after-tax, basis. Net asset value, as presented, excludes land and exploration value and is calculated using 10% NPV (as defined below) proved and proved plus probable reserves values, less net debt of \$108.5 million (estimated as March 31, 2017 working capital and hedge value less outstanding debt).

(CDN \$M, \$/SHARE)	MARCH 31, 2017			
	BEFORE TAX		AFTER TAX	
	Net Asset Value	Net Asset Value/basic share	Net Asset Value	Net Asset Value/basic share
<b>TOTAL PROVED</b>	<b>\$ 36.3</b>	<b>\$ 0.36</b>	<b>\$ 29.1</b>	<b>\$ 0.28</b>
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>\$ 108.5</b>	<b>\$ 1.06</b>	<b>\$ 80.3</b>	<b>\$ 0.78</b>

Notes:

- (1) At March 31, 2017, the Company had approximately 102.3 million common shares outstanding (basic).
- (2) Fiscal 2017 figures include information based on estimated unaudited financial results that may change on the completion of the audited financial statements.

## Corporate Reserves

The reserves data set forth in this news release is based upon an independent reserve assessment and evaluation prepared by GLJ with an effective date of March 31, 2017 (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 51-101 – *Standards of Disclosure For Oil and Gas Activities* ("**NI 51-101**").

## Reserves Summary

The Company's total proved plus probable reserves increased by 14% in fiscal 2017 to 7,056 MBOE. Proved reserves increased by 25% to 2,761 MBOE and comprised 39.1% of the Company's total proved plus probable reserves. Proved undeveloped reserves are 80% of the total proved reserves. The future capital in the GLJ Report (undiscounted) is \$73.4 million for the proved and probable reserves and is \$33.0 million for total proved reserves. The future capital is programmed over a 10 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 GLJ Price Forecast.

## Reserves Data (Forecast Prices and Costs)

SUMMARY OF OIL AND GAS RESERVES AS OF MARCH 31, 2017 FORECAST PRICES AND COSTS						
TOTAL	LIGHT CRUDE		HEAVY CRUDE OIL	CONVENTIONAL NATURAL GAS		TOTAL
	OIL AND MEDIUM CRUDE OIL			NATURAL GAS	LIQUIDS	

RESERVES CATEGORY:	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MBOE)	Net (MBOE)
Proved Developed										
Producing	406	382	-	-	-	-	-	-	406	382
Non-Producing	149	140	-	-	-	-	-	-	149	140
Proved undeveloped	2,207	2,069	-	-	-	-	-	-	2,207	2,069
<b>TOTAL PROVED</b>	<b>2,761</b>	<b>2,590</b>	-	-	-	-	-	-	<b>2,761</b>	<b>2,590</b>
PROBABLE	4,295	4,027	-	-	-	-	-	-	4,295	4,027
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>7,056</b>	<b>6,618</b>	-	-	-	-	-	-	<b>7,056</b>	<b>6,618</b>

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, 2017 and based on the GLJ 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, 2017  
FORECAST PRICES AND COSTS**

TOTAL (\$M)	BEFORE INCOME TAXES DISCOUNTED AT					AFTER INCOME TAXES DISCOUNTED AT					Unit	Unit
	(%/year)					(%/year)					Value	Value
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	Before Income Taxes	Before Income Taxes
PROVED											Discounted at 10%/year (\$/BOE)	Discounted at 10%/year (\$Mcf)
Developed Producing	10,338	9,617	8,840	8,128	7,509	10,338	9,617	8,840	8,128	7,509	23.17	3.86
Developed Non- Producing	5,163	4,597	4,123	3,734	3,415	5,163	4,597	4,123	3,734	3,415	29.50	4.92
Undeveloped	61,451	44,632	32,816	24,547	18,679	46,067	34,231	25,564	19,357	14,879	15.86	2.64

<b>TOTAL PROVED</b>	<b>76,951</b>	<b>58,846</b>	<b>45,780</b>	<b>36,410</b>	<b>29,603</b>	<b>61,567</b>	<b>48,445</b>	<b>38,527</b>	<b>31,219</b>	<b>25,803</b>	<b>17.67</b>	<b>2.95</b>
Probable	174,913	109,771	72,228	49,870	35,981	121,117	77,045	51,183	35,708	26,085	17.93	2.99
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>251,864</b>	<b>168,617</b>	<b>118,007</b>	<b>86,280</b>	<b>65,584</b>	<b>182,685</b>	<b>125,490</b>	<b>89,711</b>	<b>66,928</b>	<b>51,888</b>	<b>17.83</b>	<b>2.97</b>

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, 2017  
FORECAST PRICES AND COSTS**

(\$M)					Abandonment and Reclamation Costs <sup>(3)</sup>	Future Net Revenue Before Income Taxes	Future Net Revenue After Income Taxes	
Reserves Category:	Revenue	Royalties	Operating Development Costs	Development Costs				
<b>TOTAL PROVED</b>	259,349	16,089	127,469	33,039	5,801	76,951	15,384	61,567
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>723,961</b>	<b>45,052</b>	<b>341,592</b>	<b>73,431</b>	<b>12,021</b>	<b>251,864</b>	<b>69,180</b>	<b>182,685</b>

Notes:

(1) The numbers in this table may not add exactly due to rounding.

(2) Reflects estimated abandonment and reclamation for all wells (both existing and undrilled wells) that have been attributed reserves.

(3) The estimated values disclosed do not represent fair market value.

**FUTURE NET REVENUE  
BY PRODUCT TYPE  
AS OF MARCH 31, 2017  
FORECAST PRICES AND COSTS  
(Before income taxes and discounted at 10% per year)**

Reserve Category	Production Group	(\$M)	(\$/BOE)	(\$/Mcf)
<b>Proved</b>	Light Crude Oil and Medium Crude Oil (Including solution gas and associated by-products)	45,780	17.67	2.95
	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)	-	-	-
	<b>Total Proved</b>	<b>45,780</b>	<b>17.67</b>	<b>2.95</b>

	Light Crude Oil and Medium Crude Oil (Including solution gas and associated by-products)	118,007	17.83	2.97
<b>Proved Plus Probable</b>	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)	-	-	-
<b>Total Proved Plus Probable</b>		<b>118,007</b>	<b>17.83</b>	<b>2.97</b>

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, 2017 price forecast is summarized as follows:

YEAR FORECAST	BRENT (\$Cdn/Bbl)	Exchange Rate (\$US/\$Cdn)	BRENT (\$US/Bbl)
2017 Q2-Q4	72.67	0.750	54.50
2018	75.48	0.775	58.50
2019	80.62	0.800	64.50
2020	82.42	0.825	68.00
2021	83.53	0.850	71.00
2022	87.05	0.850	74.00
2023	90.59	0.850	77.00
2024	94.12	0.850	80.00
2025	97.64	0.850	83.00
2026	102.65	0.850	87.25
2027+	+2.0%/yr	0.850	+2.0%/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 2017 (based on published GLJ April 1, 2017 price forecast) and at March 31 2016 (based on published GLJ April 1, 2016 price forecast). The 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

RESERVES CATEGORY:	MARCH 31, 2016 <sup>(4)</sup>		MARCH 31, 2017	
	Reserves (Mboe) (Gross)	NPV (\$M) <sup>(5)</sup>	Reserves (Mboe) (Gross)	NPV (\$M) <sup>(5)</sup>
PROVED DEVELOPED PRODUCING	382	7,495	406	8,840
<b>TOTAL PROVED</b>	<b>2,212</b>	<b>33,379</b>	<b>2,761</b>	<b>45,780</b>
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>6,204</b>	<b>103,856</b>	<b>7,056</b>	<b>118,007</b>

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, 2016 is based upon the reserves assessment and evaluation of GLJ with an effective date of March 31, 2016 and is disclosed in the Company's annual information form for the year ended March 31, 2016.

(5) NPV is calculated based on forecast prices and costs, discounted at 10% and utilizing the GLJ Price Forecast, as presented in the GLJ Report.

### **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](http://www.bengalenergy.ca).

### **CAUTIONARY STATEMENTS:**

#### **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 positive impact of the successful drilling results on the Company's reserves and the growth in the Company's near-term production base as a result of the completion and tie-in of the Cuisinier oil wells. 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.

### **Barrels of Oil Equivalent**

When converting natural gas to equivalent barrels of oil, Bengal uses the widely recognized standard of 6 thousand cubic feet (mcf) to one barrel of oil (boe). However, a boe 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 that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an 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, 2017, are based on estimated values the Company believes to be reasonable and are subject to the same limitations as discussed under "Forward-looking Statements" above.

### **Oil and Gas Advisory**

The reserves information contained in this news 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, 2017 which will be filed before June 29, 2017. 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.*

*All evaluations and reviews of future net cash flows in this news release 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 this news release represent the fair 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 the Company's crude oil, natural gas liquids and natural gas reserves provided in this news release are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.*

*"Proved Developed Producing Reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.*

*"Proved Developed Non-Producing Reserves" are those reserves that either have not been on production, or have previously been on production but are shut-in and the date of resumption of production is unknown.*

*"Proved Undeveloped Reserves" are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g. when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.*

*"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.*

*"Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.*

*Light crude oil is crude oil with a relative density greater than 31.1 degrees API gravity, medium crude oil is crude oil with a relative density greater than 22.3 degrees API gravity and less than or equal to 31.1 degrees API gravity, and heavy crude oil is crude oil with a relative density greater than 10 degrees API*

gravity and less than or equal to 22.3 degrees API gravity.

### **Selected Definitions**

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

**"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

**"BOEPD"** – barrels of oil equivalent per day

**"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

**"1M"** means thousands of dollars

### **Non-IFRS Measurements**

Within this news release references are made to terms commonly used in the oil and gas industry. Funds from operations, funds from operations per share and netbacks do not have any standardized meaning under IFRS and previous GAAP and are referred to as non-IFRS measures. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net income (loss) per share. Netbacks equal total revenue less royalties and operating and transportation expenses calculated on a boe basis. Management utilizes these measures to analyze operating performance. The Company's calculation of the non-IFRS measures included herein may differ from the calculation of similar measures by other issuers. Therefore, the Company's non-IFRS measures may not be comparable to other similar measures used by other issuers. Funds from operations is not intended to represent operating profit for the period nor should it be viewed as an alternative to operating profit, net income, cash flow from operations or other measures of financial performance calculated in accordance with IFRS. Non-IFRS measures should only be used in conjunction with the Company's annual audited and interim financial statements. A reconciliation of these measures can be found in the table on page 6 of Bengal's Q4 and fiscal Year ended March 31, 2017 MD&A.

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