



September 9, 2016

Bengal Energy Announces Exploration Discovery in Australia

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) (“Bengal” or the “Company”) is pleased to announce that the first four wells of the Cuisinier 2016 five well drilling campaign have been cased as future oil producers in the Murta horizon.

The most recent well, Shefu-1, was drilled as a near field exploration well situated on the western flank of the Cuisinier Petroleum Lease 303 (“PL 303”), approximately 3.6 kilometers west of the nearest Cuisinier development well, Cuisinier-17. The Shefu-1 well encountered 8.1 meters of gross sand with 7 meters of net pay exhibiting normal gradient, virgin pressure. PL 303 is located with the Barta Permit, ATP 752.

At Shefu-1, oil pay was found to occur structurally lower than what has been encountered in previous rounds of appraisal drilling at Cuisinier, therefore lowering the "lowest known oil" for the area. Bengal's internal estimates suggest that this Shefu-1 result has the potential to materially increase the Cuisinier area oil in place and reserves, given that the Murta reservoir in the Shefu-1 area is well outside of Bengal's currently booked 1P, 2P and 3P reserves areas.

“This discovery is another exciting example of the opportunity in front of us as we continue to explore and develop our significant light oil assets in the Cuisinier basin,” said Chayan Chakrabarty, President and CEO of Bengal. “While further testing is needed to illustrate the full production potential from the Shefu-1 well, expanding the known oil in place at Cuisinier further confirms the excellent new reserves potential and supports our overall plan to continue developing the multiple commercial finds at the Barta Permit.”

The drilling rig is now moving to the fifth and last well of the campaign at the Cuisinier 24 development location. Completion and pipeline connection of Shefu and all the Cuisinier wells from the current campaign is expected to occur in Q1 2017. Further details and full results of the 2016 drilling campaign will be released at a later date.

Bengal holds a 30.357% working interest in the Barta Permit, ATP 752 and PL 303.

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. 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 is available on our website at www.bengalenergy.ca.

Oil and Gas Advisories

As Bengal has not produced, or production tested, any of the wells referenced in this news release, the results of Bengal's Cuisinier 2016 drilling campaign to date cannot be considered necessarily indicative of the long-term

performance of, or ultimate recovery from, such wells. Accordingly, such results should be considered preliminary pending such wells being tied-in and commencing production.

Further, this press release includes estimates of pay thickness and areal extent in the Cuisinier oil field, which are considered to be anticipated results or information that indicate the potential value or quantities of resources under National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities. Such estimates have been prepared by management of Bengal and have not been prepared or reviewed by an independent qualified reserves evaluator or auditor. The risks associated with these estimates include, but are not limited to, the risk that Bengal's exploration and development drilling and related activities may provide different results; the risk that Bengal may encounter unexpected drilling results; the occurrence of unexpected events involved in the exploration for, and the operation and development of, oil and gas; delays in anticipated timing of drilling and completion of wells; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; and the risk that if any resources are discovered that it will not be commercially viable to produce any portion thereof. There is no certainty that Bengal will achieve the estimated results from the Cuisinier oil field or that any portion of the resources will be discovered. If discovered, there is also no certainty that it will be commercially viable to produce any portion of the resources.

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”, “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 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. 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 internal estimation of the increase of Cuisinier oil in place and reserves and the timing of the completion and pipeline connection of the 2016 Cuisinier drilling campaign 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: Bengal’s 2016 drilling campaign; fluctuations in commodity prices, foreign exchange or interest rates; 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; 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 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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