



June 19, 2018

Bengal Energy Announces Fourth Quarter and Fiscal 2018 Year End and Reserve Results

Calgary, Alberta – 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, 2018 and the results of its independent reserve evaluation for the year ended March 31, 2018 as prepared by GLJ Petroleum Consultants Ltd. ("GLJ").

FISCAL YEAR END & FOURTH QUARTER 2018 HIGHLIGHTS:

The following is an overview of the financial and operational results during the three and twelve month periods ended March 31, 2018:

Financial Highlights:

- **Summary of Reserves and Values**

Reserve valuation increased year-over-year with total proved (1P) reserves at March 31, 2018 up by 37% to \$62.9 million from March 31, 2017. Proved plus probable (2P) reserves increased in value by 19.5% to \$141 million from 2017. Reserve values increased due to higher assumed oil prices combined with expected lower capital costs while reserve volumes declined due to lower expected capital spending.

- **Revenue**

Crude oil sales for the fourth quarter of fiscal 2018 were \$2.8 million, a 28% increase over the same quarter in the fiscal year 2017. Annual crude oil sales for fiscal 2018 were \$10.7 million, a 15% increase over annual 2017. Both increases were due to a 31% improvement in US Brent pricing year-over-year.

- **Hedging**

For the period April 2018 through December 2018, the Company has 65,261 barrels hedged using both puts and swaps at US\$47/bbl. In addition, the Company has hedged 15,906 barrels for the period January 2019 to March 2019 using both puts and swaps at US\$55.70/bbl. This hedging program is required under the Company's credit facility.

- **Funds Flow from Operations**

Funds flow from operations generated \$0.5 million in fiscal Q4 2018 compared to \$1.6 million in fiscal Q4 2017. The funds flow from operations for the full year 2018 was \$3.7 million compared to \$6.2 million for full year 2017. The primary reason for the reduced funds flow performance in both the 2018 fiscal Q4 and annual results was the drop in realized hedging value year-over-year. The fiscal year 2017 enjoyed \$80/bbl hedges compared to \$47/bbl hedges in the fiscal year 2018.

- **Earnings**

The Company recorded a net loss for the fiscal Q4 2018 of \$12.5 million compared to a net income of \$1.9 million for the fiscal Q4 2017. For the full year 2018, the Company recorded a net loss of \$12.3 million compared to a full year 2017 net loss of \$2.8 million. In fiscal Q4 2018, the Company



has taken a non-cash \$12.2 million impairment primarily as related to ATP 732. After adjusting for unrealized gains and losses on financial instruments and foreign exchange, and the non-cash impairment of non-current assets, the adjusted earnings are \$(143) and \$1,459 for the three and twelve months ended March 31, 2018, respectively.

Operational Highlights:

- **Production Volumes**

Production (net to Bengal) in fiscal Q4 2018 averaged 334 barrels per day for a total production of 30,050 barrels, compared to 344 average barrels per day in fiscal Q4 2017 or a total of 30,951 barrels, representing a reduction of 3%. For the full year 2018, production averaged 360 barrels per day compared to 379 barrels per day in 2017 for a reduction of 5%. Full year 2018 production was 131,455 barrels compared to 138,360 barrels in 2017. Normal production declines and reduced capital spending are the reason for the reduction in production for both the 2018 Q4 and full year.

- **Credit Facility Update**

During fiscal 2018, the Company's credit facility with Westpac Banking Corporation was amended on September 25, 2017 and March 5, 2018 resulting in the elimination of the June 2018 principal repayment.

Reserve Highlights:

- Bengal's proved plus probable reserves (Company interest) as evaluated by GLJ as at March 31, 2018 decreased 9% to 6,416 MBOE from 7,056 MBOE at March 31, 2017. The Company's proved reserves (Company interest) as at March 31, 2018 decreased 6% to 2,583 MBOE from 2,761 MBOE as at March 31, 2017.
- The net present value of Bengal's estimated future net revenue before income taxes from proved plus probable reserves as at March 31, 2018 is \$141 million, an increase from \$118 million at March 31, 2017, utilizing the forecast prices and costs assumptions of GLJ as at March 31, 2018 and published on April 1, 2018 (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, 2018 is \$62.9 million, an increase from \$45.8 million at March 31, 2017, utilizing the GLJ Price Forecast and discounted at 10%.



FINANCIAL AND OPERATING HIGHLIGHTS

\$000s except per share, volumes and netback amounts	Three Months Ended			Twelve Months Ended		
	March 31			March 31		
	2018	2017	% Change	2018	2017	% Change
Oil sales revenue	\$2,783	\$2,179	28	\$10,710	\$ 9,294	15
Realized (loss) gain on financial instruments	\$(288)	\$971	(130)	\$568	\$ 4,712	(88)
Royalties	\$136	\$(347)	(139)	\$642	\$ (213)	(401)
% of revenue	5	(16)	(131)	6	(2)	(400)
Operating & transportation	\$1,077	\$987	9	\$3,718	\$ 4,864	(24)
Operating netback ⁽¹⁾	\$1,282	\$2,510	(49)	\$6,918	\$ 9,355	(26)
Cash from operations	\$858	\$643	33	\$3,627	\$ 4,515	(20)
Funds from operations:	\$525	\$1,639	(68)	\$3,737	\$ 6,196	(40)
Per share (\$) (basic & diluted) ⁽²⁾	0.01	0.02	(50)	0.04	0.08	(50)
Net income (loss)	\$(12,526)	\$1,931	(749)	\$(12,271)	\$ (2,768)	343
Per share (\$) (basic & diluted)	(0.12)	0.02	(700)	(0.12)	(0.04)	200
Adjusted net income (loss) ⁽³⁾	\$(143)	\$1,181	(112)	\$1,459	\$ 3,605	(60)
Per share (\$) (basic & diluted)	0.00	0.01	(100)	0.01	0.05	(80)
Capital expenditures	939	\$681	38	\$3,511	\$ 5,618	(38)
Oil Production (BOPD)	334	344	(3)	360	379	(5)
Netback ⁽¹⁾ (\$/BOE)						
Revenue	\$ 92.61	\$ 70.40	32	\$81.47	\$ 67.17	21
Realized (loss) gain on financial instruments	(9.58)	31.37	(131)	4.32	34.06	(87)
Royalties	4.53	(11.21)	(140)	4.88	(1.54)	(417)
Operating & transportation	35.84	31.89	12	28.28	35.16	(20)
Netback/BOE	42.66	\$ 81.09	(47)	\$52.63	\$ 67.61	(22)

Notes:

- (1) Operating netback is a non-IFRS measure and includes realized losses on financial instruments. Netback per BOE is calculated by dividing revenue (including realized loss on financial instruments) less royalties, operating and transportation costs by the total production of the Company measured in BOE.
- (2) Funds from operations per share is a non-IFRS measure calculated by dividing funds from operations by weighted average basic and diluted shares outstanding for the periods disclosed.
- (3) Adjusted net income (loss) and adjusted net income (loss) per share are non-IFRS measures. 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 Company's management's discussion and analysis for the Q4 and fiscal year ended March 31, 2018.

Bengal has filed its consolidated financial statements and management's discussion and analysis for the fourth fiscal quarter of 2018 and year ended March 31, 2018 with the Canadian securities regulators. The documents are available on SEDAR at www.sedar.com or by visiting Bengal's website at www.bengalenergy.ca.



FACTORS	Light Crude Oil and Medium Crude Oil			Total BOE		
	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved plus Probable (Mbbbl)	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved plus Probable (Mbbbl)
Technical Revisions ⁽²⁾	(47)	(463)	(509)	(47)	(463)	(509)
Discoveries	–	–	–	–	–	–
Acquisitions ⁽³⁾	–	–	–	–	–	–
Dispositions ⁽³⁾	–	–	–	–	–	–
Economic Factors ⁽⁴⁾	–	–	–	–	–	–
Production	(131)	–	(131)	(131)	–	(131)
March 31, 2018	2,583	3,832	6,416	2,583	3,832	6,416

Notes:

- (1) The above change categories correspond to standard set out in the COGE Handbook. For reporting under NI 51-101, reserves additions under Extensions, Improved Recovery and Infill Drilling are combined and reported as Extensions and Improved Recovery.
- (2) Includes technical revisions due to reservoir performance, geological and engineering changes.
- (3) Includes production attributable to any acquired interests from the acquisition date to effective date of the report and production realized from disposed interests from the opening balance date to the effective date of disposition.
- (4) Includes economic revisions due to changes in economic limits and working interest changes resulting from the timing of interest reversions and related to price and royalty factor changes.

Reserves Summary

The Company's total proved plus probable reserves decreased by 9% in fiscal 2018 to 6,416 MBOE. Proved reserves decreased by 6% to 2,583 MBOE and comprised 40% of the Company's total proved plus probable reserves. Proved undeveloped reserves represent 80% of the total proved reserves. The future capital in the GLJ Report (undiscounted) is \$58.1 million for the proved plus probable reserves and is \$25.6 million for total proved reserves. The future capital is programmed over a 10 year time period for proved plus probable reserves and a 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, 2018
FORECAST PRICES AND COSTS**

TOTAL	LIGHT CRUDE OIL AND MEDIUM CRUDE OIL		HEAVY CRUDE OIL		CONVENTIONAL NATURAL GAS		NATURAL GAS LIQUIDS		TOTAL	
	Gross (Mbb1)	Net (Mbb1)	Gross (Mbb1)	Net (Mbb1)	Gross (Mbb1)	Net (MMcf)	Gross (Mbb1)	Net (Mbb1)	Gross (MBOE)	Net (MBOE)
RESERVES CATEGORY:										
Proved Developed										
Producing	448	421	-	-	-	-	-	-	448	421
Non-Producing	32	30	-	-	-	-	-	-	32	30
Proved undeveloped	2,103	1,974	-	-	-	-	-	-	2,103	1,974
TOTAL PROVED	2,583	2,425	-	-	-	-	-	-	2,583	2,425
PROBABLE	3,832	3,596	-	-	-	-	-	-	3,832	3,596
TOTAL PROVED PLUS PROBABLE	6,416	6,021	-	-	-	-	-	-	6,416	6,021

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 mcf to one bbl. For additional information, see "Cautionary Statements – Barrels of Oil Equivalent" in this news release.
- (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, 2018 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, 2018
FORECAST PRICES AND COSTS**

TOTAL	BEFORE INCOME TAXES DISCOUNTED AT					AFTER INCOME TAXES DISCOUNTED AT					Unit Value Before Income Taxes Dis-counted at 10%/year	Unit Value Before Income Taxes Dis-counted at 10%/year
	(%/year)					(%/year)						
(\$M)	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	(\$/BOE)	(\$Mcf)
PROVED												
Developed Producing	18,751	16,839	15,173	13,793	12,658	18,751	16,839	15,173	13,793	12,658	36.07	6.01
Developed Non-Producing	1,346	1,140	978	851	750	1,346	1,140	978	851	750	32.65	5.44
Undeveloped	90,622	64,178	46,729	34,967	26,815	65,901	47,643	35,261	26,775	20,817	23.67	3.95
TOTAL PROVED	110,719	82,157	62,880	49,611	40,223	85,998	65,622	51,412	41,419	34,225	25.93	4.32
Probable	199,840	121,435	78,083	52,873	37,452	138,701	85,052	55,017	37,495	26,771	21.21	3.62
TOTAL PROVED PLUS PROBABLE	310,558	203,592	140,963	102,484	77,674	224,699	150,674	106,430	78,914	60,997	23.41	3.90

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, 2018
FORECAST PRICES AND COSTS**

Reserves Category:	Revenue	Royalties	Operating Costs	Development Costs	Abandonment and Reclamation Costs ⁽³⁾	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
TOTAL PROVED	256,895	15,783	99,287	25,576	5,530	110,719	24,721	85,998
TOTAL PROVED PLUS PROBABLE	678,044	41,731	256,525	58,123	11,107	310,558	85,859	224,699

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, 2018
FORECAST PRICES AND COSTS**

(Before income taxes and discounted at 10% per year)

Reserve Category	Production Group	(\$M)	(\$/BOE)	(\$/Mcf)
Proved	Light Crude Oil and Medium Crude Oil (Including solution gas and associated by-products)	62,880	25.93	4.32
	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		62,880	25.93	4.32
Proved Plus Probable	Light Crude Oil and Medium Crude Oil (Including solution gas and associated by-products)	140,963	23.41	3.90
	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		140,963	23.41	3.90

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 Price Forecast is summarized as follows:

YEAR FORECAST	BRENT (\$Cdn/Bbl)	Exchange Rate (\$US/\$Cdn)	BRENT (\$US/Bbl)
2018 Q2-Q4	87.37	0.778	68.00
2019	86.08	0.790	68.00
2020	85.00	0.800	68.00
2021	85.80	0.810	69.50
2022	87.20	0.820	71.50
2023	89.16	0.830	74.00
2024	92.17	0.830	76.50
2025	95.18	0.830	79.00
2026	98.30	0.830	81.59
2027	100.20	0.830	83.17
2028+	+2.0%/yr	0.830	+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 in the GLJ Report as at March 31 2018 (based on published GLJ Price Forecast) and at March 31 2017 (based on published GLJ April 1, 2017 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**

	MARCH 31, 2017⁽⁴⁾		MARCH 31, 2018	
	Reserves (MBOE) (Gross)	NPV (\$M)⁽⁵⁾	Reserves (MBOE) (Gross)	NPV (\$M)⁽⁵⁾
RESERVES CATEGORY:				
PROVED DEVELOPED PRODUCING	406	8,840	448	15,173
TOTAL PROVED	2,761	45,780	2,583	62,880
TOTAL PROVED PLUS PROBABLE	7,056	118,007	6,416	140,963



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 mcf to one bbl. For additional information, see "Cautionary Statements – Barrels of Oil Equivalent" in this news release.
- (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, 2017 is based upon the reserves assessment and evaluation of GLJ with an effective date of March 31, 2017 and is disclosed in the Company's annual information form for the year ended March 31, 2017, which is available on the Company's profile at www.sedar.com.
- (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

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. 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; the failure to satisfy the conditions under farm-in and joint venture agreements; the 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, 2017 under the heading "Risk Factors" and in Bengal's management's discussion and analysis for the Q4 and fiscal year ended March 31, 2018 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 mcf to one 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.

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, 2018 which will be filed on or before June 29, 2018. 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 news 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 news 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 mcf (this conversion factor is an industry accepted norm and is not based on either energy content or current prices)

"BOPD" means barrels of oil per day

"Mbbbl" means thousand barrels

"MBOE" means 1,000 barrels of oil equivalent

"mcf" means one thousand cubic feet

"Mcf" means one thousand cubic feet equivalent

"MMcf" means one million cubic feet

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, operating netback, netback per BOE, adjusted net income (loss) and adjusted net income (loss) per share 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. Operating netback includes realized losses on financial instruments. Netback per BOE is calculated by dividing revenue (including realized loss on financial instruments) less royalties, operating and transportation costs by the total production of the Company measured in BOE. Adjusted net income (loss) and adjusted net income (loss) per share are calculated based on Net income (loss) plus unrealized loss (gain) on financial instruments less unrealized foreign exchange loss (gain) and non-cash impairment of non-current assets. 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 management's discussion and analysis for the Q4 and fiscal year ended March 31, 2018.

FOR FURTHER INFORMATION PLEASE CONTACT:

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