



May 8, 2017

## **Bengal Energy Announces Cuisinier Field Commercial Update**

**Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG)** (“Bengal” or the “Company”) today announces a commercial update on its Cuisinier Field.

### **ATP 752 BARTA BLOCK/CUISINIER FIELD:**

#### **Commercial**

Effective April 1, 2017 Bengal has executed a new Crude Oil Sale and Purchase Agreement (“COSPA”) with the South Australia Cooper Basin Joint Venture to which Bengal sells the majority of its oil production. The new COSPA has improved pricing over previous levels based on a direct pass-through mechanism and a five-year term, while giving greater security of off-take with reduced administrative burden. In addition, exploration is incentivized with incremental volumes attracting further improved pricing. Further commercial terms of this agreement cannot be disclosed by Bengal due to confidentiality restrictions.

Bengal is also in the process of revising its transportation agreement with the Aquitaine B Joint Venture parties for crude oil produced at the Cuisinier Field, which will result in reducing Bengal’s transportation tariffs. Further commercial terms of this transportation agreement cannot be disclosed by Bengal due to confidentiality restrictions. This tariff reduction will be effective April 1, 2017 with the execution of the revised transportation agreement expected in the near term.

The impact of both the transportation tariff reductions and the new COSPA pricing are expected to be seen during June or July of 2017 as existing crude inventories are drawn down and may be reflected in our improved netbacks commencing fiscal Q2 2018. This potential improved netback will partially offset the impact of the conclusion of the Company’s US \$80 hedging program that is set to expire in June of 2017.

In addition to the above, lower commodity pricing giving rise to slower demand for drilling and other services in the Cooper Basin combined with a basin wide cost reduction initiative by the operator have materially reduced capital and operating costs during fiscal 2017. This downward trend is expected to continue through the next fiscal year.

#### ***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)

#### ***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 timing of the execution of the revised Aquitaine B Joint Venture Cuisinier Field transportation agreement; the timing of the impact of transportation tariff reductions and the new COSPA pricing; the associated improvement of operating netbacks; the expected downward trend of drilling and other service costs in the Cooper Basin; 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 require 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.*

### ***Non-IFRS Measurements***



*Within this release, references are made to a term commonly used in the oil and gas industry. Netbacks do not have any standardized meaning under IFRS and previous GAAP and are referred to as non-IFRS measures. 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 5 of Bengal's Q3 MD&A.*

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