

**NOT FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAW.**

December 30, 2016

**ACQUISITION OF COMMON SHARES OF BENGAL ENERGY LTD.**

**Calgary, Alberta** – Pursuant to the early warning requirements of applicable Canadian securities laws, and in connection with the rights offering (the "**Rights Offering**") of Bengal Energy Ltd. ("**Bengal**" or the "**Company**") which closed on December 29, 2016, Texada Capital Management Ltd. ("**Texada**"), a corporation controlled by William (Bill) Wheeler ("**Mr. Wheeler**"), an independent director of Bengal, reports that Mr. Wheeler (or entities that Mr. Wheeler owns, directly or indirectly, or has control or direction over, including Texada) acquired approximately 9,496,140 common shares ("**Common Shares**") of Bengal, subject to final pro rata allocations pursuant to the Additional Subscription Privilege (as defined below).

In accordance with the terms of the Company's rights offering circular and associated notice of rights offering, both dated November 23, 2016, the Company commenced a rights offering (the "**Rights Offering**"), which was completed on December 29, 2016, pursuant to which each registered holder of Common Shares resident in a Province or Territory of Canada at the close of business on December 2, 2016 (the "**Record Date**") received one Right for each Common Share held. Two Rights, plus the sum of \$0.12 (the "**Subscription Price**"), entitled the holder thereof to acquire, on or before December 28, 2016, one Common Share (the "**Basic Subscription Privilege**"). In the event a holder exercised its Basic Subscription Privilege, in full, it was also entitled to subscribe for additional Common Shares, if available, at the Subscription Price (the "**Additional Subscription Privilege**").

In connection with the Rights Offering, Texada entered into an agreement dated November 23, 2016 (the "**Standby Purchase Agreement**") with Bengal, pursuant to which, among other things, Texada agreed to purchase from Bengal, and Bengal has agreed to sell to Texada, at the Subscription Price and on the Closing Date (as such term is defined in the Standby Purchase Agreement), such number of Common Shares, if any, that are not purchased upon exercise of the Rights under the Rights Offering up to a maximum of 25,000,000 Common Shares (including any Common Shares acquired pursuant to the exercise of the Basic Subscription Privilege and Additional Subscription Privilege by Texada, Mr. Wheeler and Mr. Wheeler's spouse, Eileen Wheeler ("**Mrs. Wheeler**").

Pursuant to the Rights Offering and the Standby Purchase Agreement, Texada, Mr. Wheeler and Mrs. Wheeler, collectively, subscribed for, and were issued on closing of the Rights Offering, approximately 9,496,140 Common Shares, subject to final pro rata allocations pursuant to the Additional Subscription Privilege.

As at the date hereof, Mr. Wheeler holds approximately 3,421,854 Common Shares directly, while approximately 16,118,264 Common Shares are held by Texada Capital Management Ltd. and approximately 3,646,093 Common Shares are held by Mr. Wheeler's spouse, Eileen Wheeler, for a total of approximately 23,186,211 Common Shares (22.7% of the issued and outstanding Common Shares, on a non-diluted basis), subject to final pro rata allocations pursuant to the Additional Subscription Privilege.

In addition to the foregoing, Mr. Wheeler also owns, directly or indirectly, 65,000 options ("**Options**") to purchase Common Shares. Assuming the exercise, in full, of the Options, Mr. Wheeler would own, or have control or direction over approximately 23,251,211 Common Shares (22.7% of the issued and outstanding Common Shares, on a non-diluted basis).

As described in greater detail above, under the Rights Offering and pursuant to the Standby Purchase Agreement, Mr. Wheeler (or entities that Mr. Wheeler owns, directly or indirectly, or has control or direction over, including Texada) acquired Common Shares.

Mr. Wheeler (or entities that Mr. Wheeler owns, directly or indirectly, or controls or directs, including Texada) may, depending on market and other conditions, increase or decrease his ownership of Common Shares or other securities of the Company, whether in the open market, by privately negotiated agreement or otherwise.

Shareholdings and the number of Common Shares acquired are estimates based on pro rata calculations as the actual allotment of Common Shares pursuant to the Additional Subscription Privilege has not been confirmed by the investment dealers holding the Common Shares.

**FOR FURTHER INFORMATION OR TO OBTAIN A COPY OF THE EARLY WARNING REPORT FILED IN CONJUNCTION WITH THIS PRESS RELEASE, PLEASE CONTACT:**

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