

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

December 2, 2016

**ACQUISITION OF RIGHTS 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**") announced on November 23, 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 controls or directs, including Texada), will be issued one right ("**Right**") for every common share of Bengal ("**Common Share**") held by such persons on December 2, 2016 (the "**Record Date**"). Two Rights, plus the sum of \$0.12 (the "**Subscription Price**"), entitles the holder thereof to acquire, on or before December 28, 2016, one Common Share (the "**Basic Subscription Privilege**"). In the event a holder exercises its Basic Subscription Privilege in full, such holder may also subscribe for additional Common Shares, if available, at the Subscription Price (the "**Additional Subscription Privilege**").

As at the date hereof, Mr. Wheeler holds 2,020,400 Common Shares directly, while 9,517,041 Common Shares are held by Texada Capital Management Ltd. and 2,152,800 Common Shares are held by Mr. Wheeler's spouse, Eileen Wheeler, for a total of 13,690,241 Common Shares (20.08% of the issued and outstanding Common Shares, on a non-diluted basis). On the Record Date, the foregoing individuals and entities, each of whom are under control and direction (either in whole or in part) of Mr. Wheeler with respect to their security holdings of Bengal, shall be issued an aggregate of 13,690,241 Rights to acquire up to 6,845,120 Common Shares.

In connection with the Rights Offering, Texada (the "**Standby Purchaser**") 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 (the "**Maximum Standby Shares**") (including any Common Shares acquired pursuant to the exercise of the Basic Subscription Privilege and Additional Subscription Privilege by Texada, Mr. Wheeler, Mrs. Wheeler and any associates and affiliates thereof).

As such, Texada (or associates and affiliates thereof) may acquire up to 25,000,000 Common Shares under the Rights Offering and pursuant to the Standby Purchase Agreement. Assuming the acquisition of these 25,000,000 Common Shares pursuant to the Standby Purchase Agreement, upon completion of the Rights Offering, Mr. Wheeler would own, or have direction or control over 38,690,241 Common Shares (41.5% of the issued and outstanding Common Shares, on a non-diluted basis, assuming no other holders of Rights exercise any Rights and no other Common Shares are issued).

In addition to the foregoing, Mr. Wheeler also owns, directly or indirectly, 65,000 options ("**Options**") to purchase Common Shares. Assuming the acquisition of the 25,000,000 Common Shares under the Rights Offering pursuant to the Standby Purchase Agreement, and the exercise, in full, of the Options, Mr. Wheeler would own, or have direction or control over 38,755,241 Common Shares (41.6% of the issued and outstanding Common Shares, on a non-diluted basis, assuming no other holders of Rights exercise any Rights and no other Common Shares are issued).

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 controls or directs, including Texada) shall acquire Rights and the Common Shares underlying those Rights.

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.

**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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