PRESS RELEASE

February 10, 2016

Bengal Energy Announces Fiscal 2016 Third Quarter Results

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) ("Bengal" or the "Company") today announces its financial and operating results for the third quarter of fiscal 2016 ended December 31, 2015.

"Bengal, like many of our peers, faced a challenging oil price environment during the third quarter. However despite the low price, we realized solid netbacks of approximately CDN $28 per bbl, when factoring in the contributions from our hedging program," said Chayan Chakrabarty, President and CEO of Bengal. "Although early days, we are also very encouraged by our recently announced five well hydraulic stimulation program at Cuisinier. The demonstrated success of this program provides an excellent foundation for future low risk and low cost production additions and will help position Bengal to manage through this volatile commodity price environment."

FISCAL Q3 2016 HIGHLIGHTS:

The following is an overview of the financial and operational results during the three-month period ended December 31, 2015:

Financial Highlights:

- **Revenue** – Significantly lower year-over-year commodity prices in the third quarter led to Q3 revenues of approximately $1.8 million, down from the $3.4 million delivered in the preceding quarter. Revenues decreased 53% compared to the $3.9 million generated during Q3 2015. Sales prices averaged $45.56/bbl before hedging, compared to average sales prices of $62.31/bbl during the preceding quarter. The Company's reported sales include approximately 18,000 barrels ("bbls") of stockpiled production valued at period end pricing. Prices used to value crude stock decreased by 40% compared to the previous quarter, resulting in further downward pressure on realized prices during this quarter.
- **Hedging Provides Solid Upside** – During the third quarter, Bengal recorded a realized gain of $0.8 million ($20.77/bbl) from its strategic derivative financial instruments. The Company has approximately 178,000 barrels of production hedged with a floor price of US $80 per barrel through to June 2017.
- **Funds Flow from Operations**[(1)] – Bengal generated funds flow from operations of $0.1 million in the quarter ended December 31, 2015, a 92% decrease from the $1.3 million generated in the preceding quarter and a 92% decrease from the $1.3 million recorded in Q3 2015. The decrease is largely the result of significantly lower commodity prices.
- **Earnings (loss)** – Net income was $1.4 million for the quarter compared to $1.2 million in the preceding quarter, and a net loss of $1.3 million in Q3 2015 which included an impairment charge of $4 million. Excluding the impact of unrealized foreign exchange and unrealized hedging gains

[1] See non-IFRS measurements section on page 5 of the 3rd Qtr. Ended December 31, 2015 MD&A

and losses, adjusted net loss[1] was $1.1 million for the third quarter of 2016 compared to an adjusted net loss[1] of $4.7 million in Q3 2015.

Operational Highlights:

- **Production Volumes** – Production in the third quarter averaged 439 barrels of oil equivalent per day ("boepd"), a 26% decrease from the preceding quarter and a decrease of 20% from Q3 2015. Five wells were offline to conduct a hydraulic stimulation campaign that is expected to add incremental production in the fourth fiscal quarter of 2016 as described below. Bengal's average net production from the Cuisinier field in October 2015, before the shut-in of the five programmed wells, was approximately 476 bopd net.
- **Cuisinier Well Stimulation Program Exceed Expectations** – As previously announced, at ATP 752 Barta Block (30.357% W.I.), Bengal and its joint venture parties completed a hydraulic stimulation program. Four of the five wells have been placed back into production demonstrating an aggregate incremental rate of over 200 gross barrels of oil per day ("bopd") or 61 bopd net to Bengal, which represents the increase in post stimulation production compared to average production prior to the commencement of the program.
- **Onshore India Drilling Plan** – At Bengal's onshore India block situated within the Cauvery Basin (CY-ONN-2005/1 – 30% WI), the Company continues to coordinate plans with its partners, Gas Authority of India Ltd. ("GAIL") and Gujarat State Petroleum Corporation, for the drilling of three exploration wells. GAIL, the operator, continues to negotiate with various stakeholders and government bodies that provide the necessary approvals to proceed. Timing of the drilling of the first of three exploration wells remains uncertain at this time. The block is currently under force majeure subject to stakeholder negotiations, which was further extended on February 3, 2016.

Subsequent Events:

- **Regains 100% Working Interest at ATP 732 Tookoonooka –** As previously announced, Bengal's farm-in partner on ATP 732 has announced its withdrawal from the farm-in and re-assigned their 50% equity back to Bengal. The farm-in partner drilled one well (Tangalooma-1) and completed the acquisition of 300 km2 of 3D seismic. There are no remaining commitments on this permit until after March of 2017, at which time a Phase 2 work program will be considered.

OPERATING HIGHLIGHTS

$000s except per share, volumes and netback amounts	Three Months Ended December 31			Nine Months Ended December 31		
	2015	2014	% Change	**2015**	2014	% Change
Revenue						
Oil	**$ 1,838**	$ 3,870	(53)	**$ 8,934**	$ 12,036	(26)
Natural gas	**-**	63	(100)	**-**	223	(100)
Natural gas liquids	**-**	11	(100)	**-**	32	(100)
Total	**$ 1,838**	$ 3,944	(53)	**$ 8,934**	$ 12,291	(27)
Royalties	**$ 133**	$ 369	(64)	**$ 622**	$ 855	(27)
% of revenue	**7**	9	(22)	**7**	7	-
Operating & transportation	**$ 1,432**	$ 1,794	(20)	**$ 5,006**	$ 4,520	11
Operating netback[(1)]	**$ 273**	$ 1,781	(85)	**$ 3,306**	$ 6,916	(52)
Cash from operations:	**$ 935**	$ 1,492	(37)	**$ 3,902**	$ 5,943	(34)
Funds from operations:[(2)]	**$ 105**	$ 1,318	(92)	**$ 2,609**	$ 3,703	(30)
Per share ($) (basic & diluted)	**0.01**	0.02	(100)	**0.04**	0.06	(33)
Net income (loss)	**$ 1,413**	$ (1,293)	(209)	**$ 1,324**	$ (2,120)	(163)
Per share ($) (basic & diluted)	**0.02**	(0.02)	(200)	**0.02**	(0.03)	(167)
Adjusted net (loss) income[(3)]	**(1,123)**	(4,678)	(76)	**(1,585)**	(5,578)	(72)
Per share ($) (basic & diluted)	**(0.02)**	(0.02)	-	**(0.02)**	(0.04)	(50)
Capital expenditures	**$ 1,311**	$ 4,489	(71)	**$ 3,015**	$ 11,053	(73)
Volumes						
Oil (bopd)	**439**	546	(20)	**517**	434	19
Natural gas (mcfpd)	**-**	180	(100)	**-**	181	(100)
Natural gas liquids (boepd)	**-**	2	(100)	**-**	1	(100)
Total (boepd @ 6:1)	**439**	578	(24)	**517**	465	11
Netback[(1)] ($/boe)						
Revenue	**$ 45.56**	$ 74.17	(39)	**$ 62.85**	$ 96.82	(35)
Realized gain on financial instrument	**20.77**	3.27	535	**14.12**	1.37	931
Royalties	**3.30**	6.94	(52)	**4.38**	6.74	(35)
Operating & transportation	**35.49**	33.74	5	**35.22**	35.61	(1)
Corporate Netback/boe	**$ 27.54**	$ 36.76	(25)	**$ 37.37**	$ 55.34	(33)

(1) Operating netback is a non-IFRS measure. Netback per boe is calculated by dividing the revenue and less royalties, operating and transportation costs by the total production of the Company measured in boe.
(2) Funds from operations is a non-IFRS measure. The comparable IFRS measure is cash from operations. A reconciliation of the two measures can be found in the table on page 5.
(3) Adjusted net (loss) is a non-IFRS measure. The comparable IFRS measure is cash from operations. A reconciliation of the two measures can be found in the table on page 5.

Bengal has filed its consolidated financial statements and management's discussion and analysis for the third quarter of fiscal 2016 on SEDAR at www.sedar.com or by visiting Bengal's website at www.bengalenergy.ca.

About Bengal

Bengal Energy Ltd. is an international junior oil and gas exploration and production company with assets in Australia and India. 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

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, Australia, India 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 Company's onshore India drilling plan with its partners, including the expected timing of drilling the first three exploration 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: 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, Australia, India; 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, 2015 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.*

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.

Certain Defined Terms

boe – *barrels of oil equivalent*
boepd – *barrels of oil equivalent per day*
bbl – *barrel*
mcf – *thousand cubic feet*
mcfd – *thousand cubic feet per day*

Non-IFRS Measurements

Within this release, references are made to terms commonly used in the oil and gas industry. Funds from operations, funds from operations per share and netbacks 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. 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.

PRESS RELEASE

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