PRESS RELEASE

February 8, 2017

Bengal Energy Announces Fiscal 2017 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 2017 ended December 31, 2016.

"During the quarter Bengal successfully completed a rights offering that will fund our development program on the Barta Sub-Block" said Chayan Chakrabarty, President and CEO of Bengal. "*This development program will add value with the completion and tie-in of the Cuisinier oil wells drilled earlier in 2016, fracture stimulation of several Cuisinier wells, and the acquisition of Barta West 3D seismic that will allow Bengal to further delineate and define the Shefu-1 oil discovery."*

FISCAL Q3 2017 HIGHLIGHTS:

The following is an overview of the financial and operational results during the three-month period ended December 31, 2016:

Financial Highlights:

- **Sales Revenue** – Crude oil sales before hedging gains were $2.3 million in the third quarter of fiscal 2017, which is 23% greater than the $1.8 million recorded in the third quarter of fiscal 2016 and 1% higher than the preceding quarter.

- **Hedging in place through June 2017** – The Company has approximately 58,000 barrels of production hedged with a floor price of US $80 per barrel through to June 2017. From July 2017 through to December 2018, the Company has hedged approximately 133,000 barrels of production at a floor price of US $47 per barrel. During the quarter ended December 31, 2016, realized gains of derivative financial instruments were $1.1 million.

- **Funds Flow from Operations[(1)]** – Bengal generated funds flow from operations of $1.4 million in the quarter ended December 31, 2016 a 22% decrease from the $1.8 million generated in the preceding quarter and a 1234% increase compared to the third quarter of fiscal 2016.

- **Net Loss** – Bengal reported a net loss of $2.3 million for the quarter compared to $0.33 million net loss in the preceding quarter, and net income of $1.4 million in the third quarter of fiscal 2016. Adjusted net earnings[1] were $0.8 million for the third quarter of fiscal 2017 compared to an adjusted net loss of $1.1 million in the third quarter of fiscal 2016 and the preceding quarter. Adjusted net earnings excludes the impact of unrealized foreign exchange and unrealized hedging gains and losses.

[1] See non-IFRS measurements section on page 5 of this MD&A

- **Rights Offering –** On December 29, 2016, Bengal completed a rights offering raising $4.0 million net of $0.1 million share issue costs.

Operational Highlights:

- **Cuisinier 2016 drilling program –** Following up on its successful five well drilling program at Cuisinier, the Barta joint venture planned for the completion of four wells in conjunction with a two well fracture stimulation program. Commencing in late December, the fracture stimulation program includes Barta North 1 and Cuisinier 22, which was part of the 2016 drilling program. Completions and tie in activities are expected to occur before the quarter ending June 30, 2017.

- **Production Volumes** – Production in the third quarter of fiscal 2017 averaged 355 barrels of oil equivalent per day ("boepd"), an 8% and 19% decrease from the previous quarter and fiscal Q3 2016 respectively.

RIGHTS OFFERING CORRECTION:

Bengal would like to provide an update respecting the number of common shares subscribed for by insiders of Bengal, as a group, in the Company's rights offering, which closed on December 29, 2016. The number of common shares that insiders of Bengal, as a group, subscribed for under the rights offering pursuant to the basic subscription privilege was 9,592,139, with the number of common shares subscribed for under the rights offering by all other persons, as a group, pursuant to the basic subscription privilege being 15,212,811. These two totals had been incorrectly stated in the Company's press release dated January 6, 2017.

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FINANCIAL AND OPERATING HIGHLIGHTS

$000s except per share, volumes and netback amounts	Three Months Ended December 31			Nine Months Ended December 31		
	2016	2015	% Change	**2016**	2015	% Change
Oil sales revenue	**$ 2,325**	$ 1,838	27	**$ 7,115**	$ 8,934	(20)
Realized gain on financial instruments	**$ 1,149**	$838	37	**$ 3,741**	$ 2,007	86
Royalties	**$ (47)**	$ 133	(135)	**$ 134**	$ 622	(79)
% of revenue	**(2)**	7	(129)	**2**	7	(71)
Operating & transportation	**$ 1,270**	$ 1,432	(11)	**$ 3,877**	$ 5,006	(23)
Operating netback[1]	**$ 2,251**	$ 1,111	103	**$ 6,845**	$ 5,313	29
Cash from operations	**$ 981**	$ 935	5	**$ 3,919**	$ 3,902	-
Funds from operations:[2]	**$ 1,412**	$ 105	1,245	**$ 4,557**	$ 2,609	75
Per share ($) (basic & diluted)	**0.02**	0.00	-	**0.07**	0.04	75
Net income (loss)	**$ (2,288)**	$ 1,413	(262)	**$ (4,699)**	$ 1,324	(455)
Per share ($) (basic & diluted)	**(0.03)**	0.02	(250)	**(0.07)**	0.02	(450)
Adjusted net income (loss)[3]	**$ 773**	$(1,123)	(169)	**$ 2,424**	$ (1,585)	(253)
Per share ($) (basic & diluted)	**0.01**	(0.02)	(150)	**0.04**	(0.02)	(300)
Capital expenditures	**$ 1,234**	$ 1,311	(6)	**$ 4,937**	$ 3,015	64
Oil Volumes (bopd)	**355**	439	(19)	**391**	517	(24)
Netback[1] ($/boe)						
Revenue	**$ 71.28**	$ 45.56	57	**$ 66.24**	$ 62.85	5
Realized gain on financial instruments	**35.22**	20.77	70	**34.83**	14.12	147
Royalties	**(1.44)**	3.30	(144)	**1.25**	4.38	(72)
Operating & transportation	**38.93**	35.49	10	**36.10**	35.22	3
Netback/boe	**$ 69.01**	$ 27.54	151	**$ 63.72**	$ 37.37	71

(1) Operating netback is a non-IFRS measure and includes realized gain on financial instruments. Netback per boe is calculated by dividing revenue (including realized gain on financial instruments) 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 net income (loss). 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 fiscal quarter of 2017 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. 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 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 completion of the successful wells resulting from the 2016 drilling program at Cuisinier and the timing of the completion and tie-in activities of any successful wells at Cuisinier on the Barta sub-block of ATP 752; the potential positive impact of the successful drilling results on the Company's reserves. 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.

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.

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