



October 1, 2014

## **Bengal Energy Announces Operational Update with Record Production and Expands Drilling Program**

**Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG)** (“Bengal” or the “Company”) is pleased to announce that four of the 2014 Phase One Cuisinier oil wells have been tied-in and are producing, resulting in an additional preliminary gross production rate of approximately 1,100 barrels of oil per day (“bopd”) or 334 bopd net to Bengal. Bengal’s current total net production is approximately 650 bopd from Cuisinier, representing an 80% increase over the first quarter fiscal 2015 average production rate. Cuisinier is situated within Petroleum Lease “PL” 303 of Barta sub-block, Cooper Basin, southwest Queensland, Australia where Bengal holds a 30.357% working interest (“WI”). In light of the high quality oil produced at Cuisinier, Bengal’s production commands a premium price over the Brent benchmark and contributes to industry leading operating netbacks.

“We are very pleased with the success of our 2014 Phase One drilling program to date,” said Chayan Chakrabarty, Bengal’s President and CEO. “Not only have we significantly increased our production relative to the first quarter of fiscal 2015, but we have also set a new production record for Bengal. With this higher production rate coupled with strong netbacks, we are very well positioned to generate attractive cash flows. This cash flow stream will support our recently expanded Phase Two drilling program, which features plans to drill up to nine additional wells in Cuisinier in the coming six months. We look forward to keeping our shareholders updated as we undertake the next phase of development within this exciting, high value asset.”

### **EXPANDED CUISINIER DRILLING PROGRAM**

As a result of the successful Phase One drilling campaign, the Barta Joint Venture (“JV”) is considering the expansion of the Phase Two Cuisinier drilling campaign, which is expected to commence in November 2014. The expanded program would be comprised of two development and three appraisal wells in the Cuisinier Field, with the JV considering an additional two to three wells in and around PL 303 based on the results of the initial five well program. The proposed expansion of the Phase Two drilling campaign is a reflection of the success realized in Phase One, which has provided valuable information that has enabled the JV to high-grade subsequent locations with a view to enhancing productivity and expanding the boundaries of the pool.

The drilling campaign will also include one exploration well (“Wicho East-1”) in ATP 752P – Barta Sub-block. The Wicho East prospect is approximately 8 kilometres north east of PL 303 and it will target oil in sands within the basal Jurassic and Hutton sequences

### **OPERATIONAL UPDATE**

#### **Cuisinier Operations**

In late July 2014, the Operator of the JV (Santos Limited) successfully upsized the pump in the Cuisinier-7 well, which has resulted in an initial 71% increase in incremental gross production of 210 bopd, calculated on a stream day basis. The Cuisinier-7 well averaged approximately 295 bopd in July and



increased to 504 bopd during the month of August. In addition, the JV is currently planning a hydraulic stimulation review for certain candidate wells within the field. To date, none of the Cuisinier wells have been stimulated, which represents future optimization opportunities for the JV.

In addition the Company and JV are planning to commence remediation work in the very near term to address the previously announced unexpected production declines that have been observed from Cuisinier-6, due to an increase in water cut. The Operator plans to conduct production logging in the well to determine the source of the water, followed by the implementation of an appropriate remediation strategy.

#### **Wompi Exploration Well**

In the Wompi Sub-block (ATP 752 – WI 38%), the JV is planning to drill one exploration well in calendar Q4 2014 targeting the Birkhead, Westbourne and Adori formations, with such formations being known to produce in the offsetting Bowen Field, located immediately north of the proposed location. Wompi offers Bengal moderate risk exploration in a well-established, oil-producing fairway offering multi-zone potential.

#### **Tookoonooka Exploration Well**

In Bengal's Tookoonooka permit (ATP 732 - WI 50%), which is located in the emerging East Flank oil fairway of the Cooper Basin, the Company is partnered with Beach Energy Ltd. ("Beach"). Beach completed the acquisition of 300 km<sup>2</sup> of 3D seismic over Tookoonooka in February 2014 with data processing currently underway. Subject to the seismic interpretation, the second farm-out exploration well is planned for early calendar 2015.

#### **ONSHORE INDIA**

As previously announced, in Bengal's onshore India block situated within the Cauvery Basin (CY-ONN-2005/1 – 30% WI), the Company continues to coordinate with its partners, Gas Authority of India Ltd. ("GAIL") and Gujarat State Petroleum Corporation ("GSPC") for the drilling of three exploration wells. The commencement of this exploration drilling program has been delayed as GAIL, the operator, continues to negotiate with various stakeholders and government bodies that provide the necessary approvals to proceed. The drilling of the first of three exploration wells is, at the earliest, expected to commence following the monsoon season in calendar Q2 2015.

Bengal also advises that an updated presentation will be posted on the Company's website on October 8, 2014, containing additional information about its operations and strengthened financial position.

#### **About Bengal**

Bengal Energy Ltd. (TSX: BNG) is an international oil and gas exploration and production company with producing and prospective light oil-weighted assets in Australia and India. Bengal offers exposure to lower risk, current production and cash flow, combined with longer-term potentially high impact exploration projects. The Company's strategy is to achieve per share growth in cash flow, production and reserves while establishing an attractive portfolio of future drilling and exploration opportunities.



Additional information is available on our website 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, 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 Phase One development wells initial production rates, the completion of an up-to 9 well Phase Two drilling program by the Company at Cuisinier in 2014 including the timing to drill, tie-in and put on production of up to 9 wells to be drilled and the timing to announce results of such drilling, timing and completion of Cuisinier development production logging, remediation strategy and hydraulic stimulation review the timing to drill one exploration well on the Wompi permit; the timing for the Company to interpret seismic and evaluate prospective drilling locations and the timing to drill one exploration well in the Tookoonooka area, and the timing to drill up to three exploration wells in the Cauvery 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; the funding by the Company of its share of the costs of the first phase of drilling at Cuisinier out of ongoing cash flow; 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. Further, certain noted production information provided in this press release may constitute "analogous information" under applicable securities legislation, such as production rates from wells drilled by other industry participants located in geographical proximity to lands held by the Company. This information is derived from publicly available information sources that the Company believes are predominantly independent in nature however readers are cautioned that the information may be in error, may not be analogous to the Company's land holdings and/or may not be representative of actual results of wells anticipated to be drilled or completed by the Company in the future. Readers are encouraged to review the material risks discussed in Bengal's Annual Information Form 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.*

**FOR FURTHER INFORMATION PLEASE CONTACT:**

***Bengal Energy Ltd.***

***Chayan Chakrabarty, President & Chief Executive Officer***

***Jerrad Blanchard, Chief Financial Officer***

***Phone: (403) 205-2526***

***Email: [investor.relations@bengalenergy.ca](mailto:investor.relations@bengalenergy.ca)***

***Website: [www.bengalenergy.ca](http://www.bengalenergy.ca)***