PRESS RELEASE

August 13, 2018

Bengal Energy Announces Fiscal 2019 First Quarter Results

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) ("Bengal" or the "Company") today announces its financial and operating results for the first quarter of fiscal 2019 ended June 30, 2018.

FISCAL Q1 2019 HIGHLIGHTS:

The following is an overview of the financial and operational results during the three month period ended June 30, 2018:

Financial Highlights:

- **Sales Revenue** – Crude oil sales revenue was $3.2 million in the first quarter of fiscal 2019, which is 39% higher than the $2.3 million recorded in fiscal Q1 2018 and 14% higher than fiscal Q4 2018, mainly due to increased US Brent pricing.
- **Hedging** – For the period April 2018 through December 2018, the Company has 65,261 barrels ("bbls") hedged using both puts and swaps at US$ 47/bbl. In addition, the Company hedged 15,906 barrels for the period January 2019 to March 2019 using both puts and swaps at US$ 55.70/bbl. For the period April to June 2019, the Company hedged three tranches of 5,000 bbls (15,000 bbls) using swaps at $73.28, $72.92 and $72.58 respectively. This hedging program is required under the Company's Credit Facility.
- **Funds Flow from Operations** – Bengal generated funds flow from operations of $0.9 million in the current quarter, which is a 52% decrease from the $1.8 million generated in the first quarter of fiscal 2018. The primary reason for the reduced funds flow performance in Q1 fiscal 2019 was the drop in realized hedging value year-over-year. The fiscal year 2017 enjoyed $80/bbl hedges compared to $47/bbl hedges in fiscal 2018 and continuing into fiscal 2019.
- **Net Income (Loss)** – Bengal reported a net loss of $0.5 million for the current quarter compared to net loss of $12.5 million in the preceding quarter, and net income of $0.5 million in the first quarter of fiscal 2018. Excluding the impact of unrealized foreign exchange and unrealized hedging gains and losses, adjusted net earnings[(1)] were $0.4 million for the first quarter of fiscal 2019 compared to adjusted net earnings of $1.3 million in fiscal Q1 2018.

Operational Highlights:

- **Production Volumes** – Production in the current quarter averaged 318 barrels of oil equivalent per day ("boepd"), compared to 334 boepd for Q4 fiscal 2018 for a reduction of 5% and 369 boepd for Q1 fiscal 2018 for a 14% decrease. Normal production declines and reduced capital spending are

[1] See non-IFRS measurements section on page 5 of the fiscal 2019 Q1 MD&A

the reason for the reduction in production for both the quarter over quarter and year over year results.

- **Exploration –** The acquisition, processing and interpretation of the 250 square kilometer Barta West 3D seismic program has been completed with positive results and the identification of a series of undrilled structural features along the Cuisinier oil trend lying immediately to the south west of the producing Cuisinier oil field. Drilling of the first exploration well to test one of these prominent features, (the Chookola structure) is expected to start by September 2018.

- **Development –** Following positive results and incremental production from earlier fracture stimulation programs, three new wells in the Cuisinier oil field are planned to be fracced and returned to production by September 2018.

FINANCIAL AND OPERATING HIGHLIGHTS

$000s except per share, volumes and netback amounts	**Three Months Ended June 30**		
	2018	2017	% Change
Oil sales revenue	**$ 3,215**	$ 2,306	39
Realized (loss) gain on financial instruments	**$ (415)**	$ 1,123	(137)
Royalties	**$ 118**	$ 139	(15)
% of revenue	**4**	6	(33)
Operating & transportation	**$ 1,069**	$ 670	60
Operating netback[(1)]	**$ 1,613**	$ 2,620	(38)
Cash from operations	**$ 1,019**	$ 1,690	(40)
Funds from operations:	**$ 875**	$ 1,834	(52)
Per share ($) (basic & diluted) [(2)]	**0.01**	0.02	(50)
Net income (loss)	**$ (486)**	$ 549	(189)
Per share ($) (basic & diluted)	**0.00**	0.01	200
Adjusted net earnings[(3)]	**$ 427**	$ 1,268	(66)
Per share ($) (basic & diluted)	**0.00**	0.01	(100)
Capital expenditures	**$ 301**	$ 703	(57)
Oil Volumes (bopd)	**318**	369	(14)
Netback[(1)] ($/boe)			
Revenue	**$ 111.00**	$ 68.68	62
Realized (loss) gain on financial instruments	**(14.33)**	33.44	(143)
Royalties	**4.07**	4.14	(2)
Operating & transportation	**36.91**	19.96	85
Netback/boe	**$ 55.69**	$ 78.02	(29)

Notes:

(1) Operating netback is a non-IFRS measure and includes realized (loss) gain on financial instruments. Netback per boe is calculated by dividing revenue (including realized (loss) 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 and defined as cash from operations before changes in non-cash working capital. Funds from operations per share is a non IFRS measure calculated by dividing funds from operations by weighted average basic and diluted shares outstanding for the periods disclosed.

(3) Adjusted net income and adjusted net income per share are non-IFRS measures. The comparable IFRS measure is net income (loss). A reconciliation of the two measures can be found in the table on page 6 of Bengal's fiscal 2019 Q1 Management's Discussion and Analysis ("MD&A").

Bengal has filed its consolidated financial statements and management's discussion and analysis for the first fiscal quarter of 2019 with the Canadian securities regulators. The documents are available 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 expected timing of the spudding of the exploration well on Barta Block Cuisinier oil field; the expected timing of the frac program on the three new wells on the Barta Block in the Cuisinier oil field. 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, 2018 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*

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 is defined as cash from operations before changes in non-cash working capital. 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 (including realized (loss) gain on financial instruments) less royalties and operating and transportation expenses calculated on a boe basis. Adjusted net earnings equal net income (loss) less unrealized losses/gains on foreign exchange and unrealized losses/gains on financial instruments plus non-cash impairment of non-current assets. Adjusted net earnings per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of earnings (loss) per share. 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 6 of Bengal's fiscal 2019 Q1 MD&A.

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