PRESS RELEASE

Bengal Energy Announces Fiscal 2020 First Quarter Results

Calgary, Alberta--(Newsfile Corp. - August 12, 2019) - **Bengal Energy Ltd. (TSX: BNG)** ("Bengal" or the "Company") today announces its financial results for the first quarter of fiscal 2020 ended June 30, 2019

FIRST QUARTER FISCAL 2020 SUMMARY:

The following is an overview of the financial and operational results during the three month period ended June 30, 2019:

Financial Summary:

- **Sales Revenue** - Crude oil sales revenue was $2.0 million in the first quarter of fiscal 2020, which is 39% lower than the $3.2 million recorded in Q1 fiscal 2019. The lower sales revenue is due to a 22% decline in production quarter over quarter and an 8% lower $US Brent price.
- **Hedging** - The Company's credit facility requires that a minimum of 50% of oil production be hedged forward by a minimum of 12 months. During Q1 fiscal 2020, the realized gain on financial instruments was $0.1 million while the unrealized loss on financial instruments was $0.08 million. Subsequent to June 30, 2019, hedges were placed on 50% of Q1 fiscal 2021 estimated production for April 2020 at US$59.49/bbl, May 2020 at US$59.27/bbl and June 2020 at US$59.08/bbl.
- **Cash from Operations -** Bengal generated cash from operations of $0.3 million during Q1 fiscal 2020 compared to $1.0 million of cash from operations in Q1 fiscal 2019. The primary reason for the decrease in cash from operations during fiscal 2020 as compared to fiscal 2019 was the lower sales revenue in Q1 fiscal 2020.
- **Net Loss** - Bengal reported a net loss of $0.8 million for the first quarter of fiscal 2020 compared to a net loss of $0.5 million in the first quarter of fiscal 2019. The primary driver for the net loss for Q1 fiscal 2020 was the lower sales revenue.
- **Adjusted Net Income -** Bengal reported adjusted net loss of $0.5 million for the first quarter of fiscal 2020 and adjusted net income of $0.4 million for Q1 fiscal 2019. Net income is adjusted for unrealized gain (loss) on financial instruments, the unrealized foreign exchange gain (loss) for the period and the non-cash impairment of non-current assets.

Operational Summary:

- **Production Volumes** - The Company's share of total production in the first quarter of fiscal 2020 was 22,688 bbls, which is a 22% decline from the 28,965 bbls produced in the first quarter of fiscal 2019. The current quarter production averaged 249 bbls per day compared to 318 bbls per day produced in the first quarter of fiscal 2019. Normal production declines are responsible for the quarter over quarter oil volume reductions.
- **Capital Expenditures** - Bengal incurred $1.3 million in capital expenditures during Q1 fiscal 2020. This investment went towards the completion of the five well drilling program, commenced in Q4 fiscal 2019 and the frac completion program of wells C15 and C21.

OPERATING SUMMARY

($000s except per share, %, volumes and netback amounts)	Three months ended June 30			
		2019		**2018**
Oil revenue	$	1,962	$	3,215
Operating netback(1)	$	1,112	$	1,613
Cash from operations	$	316	$	1,019
Funds (used in) from operations(2)	$	(13)	$	875
Per share ($) (basic and diluted)	$	0.00	$	0.01
Net loss	$	(750)	$	(486)
Per share ($) (basic and diluted)	$	(0.01)	$	(0.00)
	$	(485)	$	427

Adjusted net (loss) income(3)				
Per share ($) (basic and diluted)	$	0.00	$	0.00
Capital expenditures	$	1,280	$	301
Oil volumes (bbl/d)		249		318
Operating Netback(1)($/bbl)	$	49.01	$	55.69

1. Operating netback is a non-IFRS measure and includes realized gain (loss) on financial instruments. Operating netback per bbl is calculated by dividing revenue (including realized gain (loss) on financial instruments) less royalties and operating costs by the total production of the Company measured in bbls. A reconciliation of the measures can be found on page 7 of the Company's management's discussion and analysis for the three months ended June 30, 2019, Q1 fiscal year 2020.
2. Funds from operations is a non-IFRS measure which is calculated by adding back all non-cash expense deductions to the net loss for the quarter and year. 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. A reconciliation of the measures can be found in the table on page 18 of the Company's management's discussion and analysis for the three months ended June 30, 2019, Q1 fiscal year 2020.
3. Adjusted net income (loss) and adjusted net income (loss) 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 18 of the Company's management's discussion and analysis for the three months ended June 30, 2019, Q1 fiscal year 2020.
4. The above non-IFRS measures do not have any standardized meaning under GAAP (as that term is defined in National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards) and therefore may not be comparable to similar measures presented by other issuers.

Bengal has filed its consolidated financial statements and management's discussion and analysis for the first quarter of fiscal year 2020 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.

BUSINESS OVERVIEW

AUSTRALIA - Cooper Basin, Queensland
PL 303 Barta Block Cuisinier (controlling permit ATP 752) (30.357% WI)

Completion and connection operations of the three successful wells drilled and the four wells fracture stimulated (two new wells and two existing wells) during the first half of calendar 2019 were completed during Q1 FY 2020. Before these new wells were brought into production, total pool production volumes were 820 barrels of oil per day ("bopd"), net 248 bopd (May 2019 average). The newly drilled and fracture stimulated wells were brought into production starting from the first week of June through the second week of July. Production has continued to gradually ramp up as the wells are optimized. Most recently available seven day total pool production volumes in mid-July averaged 1,374 bopd (net 417 bopd). Of note is the Cuisinier 29 well, which discovered a new oil pool in the DC-50 sand formation that lies below the target DC-70 zone in the Murta formation. The DC-50 sand formation has a gross thickness of 12.5 metres and exhibits virgin reservoir pressure. In addition, the well intersected approximately 2.2 metres of gross sand in the target zone DC-70 sand, which also shows virgin reservoir pressure. A development plan for the new DC-50 sand formation will be prepared with further drilling and evaluation expected in Q4 FY 2020 (calendar Q1 2020). First oil production from the newly drilled and fracture stimulated wells has commenced through the oil pipeline and production infrastructure linking the Cuisinier pool to the Port Bonython export facilities.

Further production results for the full calendar 2019 program will be announced in the coming weeks.

Planning and drilling location selection is underway for the next multi-well development and appraisal drilling campaign which is expected to commence in late calendar Q3 2020 (Q2 FY 2020).During the Q3 and Q4 fiscal 2019, the Company's joint venture on Barta Block Cuisinier PL 303 (the "Joint Venture") conducted a fracture stimulation campaign on four wells. Three of the four wells were successful and the Cuisinier North-1, Shefu-1 and Cuisinier-24 wells were brought online in September. The Cuisinier-19 well was fracture stimulated in a later program during Q3 fiscal 2019 but was unsuccessful. Prior to the frac program, the aggregate gross production from the three wells was 93 bbls/d. Subsequent to the frac program, the aggregate initial production which commenced in early June was 322 bbls/d, for an increase of 229 gross bbls/d (an incremental 69 bbls/d net to Bengal). These post frac rates have been monitored closely over the last quarter with positive productivity levels observed. Ongoing evaluation of previously stimulated wells has assisted the Joint Venture in planning for its future drilling campaigns. These campaigns are designed to allow for fracture stimulations to occur upon completion as required. This is expected to result in operational efficiencies and cost savings in addition to potentially improved initial production rates on the stimulated wells. **[See link to Cuisinier Maps -** https://bengalenergy.ca/wp-content/uploads/2019/08/Press-Release-Cuisinier-Oil-Field-2019-Drilling-Well-Activity.png **]**

The fiscal year 2019 drilling program consisting of four development wells and one appraisal well within PL 303 started in February 2019. Two of the four development wells, Cuisinier 29 and Cuisinier 30, were located on the northwest side of the Cuisinier pool close to production infrastructure and were designed to extend the producing area while potentially increasing the pool reserves area. The Cuisinier 29 well was successfully drilled, cased and suspended in late February and discovered a new oil pool in the DC-50 sand that lies below the target DC-70 zone. The DC-50 sand is approximately 12.5 metres thick and exhibits virgin reservoir pressure. In addition, the well intersected approximately 2.2 metres of gross sand in the target zone DC-70 sand, which also exhibits virgin reservoir pressure. The well has been cased and suspended as a potential oil producer.

The Cuisinier-27 and 28 development wells were located in the heart of the Cuisinier pool offsetting the planned waterflood pilot. Both of these wells met pre-drill expectations, encountering oil pay. These wells have been cased and suspended as Murta DC-70 oil wells. The fourth development well, Cuisinier-30, encountered 7.2 metres of Murta DC-70 sand; however the zone was low and water bearing. This well was therefore plugged and abandoned.

The Cuisinier-26 appraisal well was drilled in the southernmost part of PL 303 and was intended to extend the known producing sand fairway present in the core of the pool. The well encountered oil pay in the Murta DC-70 and was plugged and abandoned as uneconomic.

In Q1 FY 2020, the three successful wells were connected for production and an assessment of the productivity is being made. A development plan for the new DC-50 sand will be prepared based on initial production results. First oil sales from the new calendar 2019 wells are expected in early Q2 FY 2020. Results to date for the 2019 Cuisinier drilling campaign have been encouraging for further appraisal of the western extension of the Cuisinier oil field and particularly for the new zone in the Cuisinier 29 well. The program has shown a total of four oil reservoir zones that were encountered in three of the four development wells drilled. The new pool discovery in the DC-50 sand in the Cuisinier-29 well may provide further development drilling opportunities and pool expansion upside. Further results will be released upon program completion, which is anticipated to occur in early Q2 FY 2020.

The Joint Venture has also initiated the implementation of a pilot reservoir pressure maintenance scheme, which was planned to commence during Q2 FY 2020. Planning continues however regulatory delays now indicate start up early in calendar 2020 (Q4 FY 2020). The location of this pilot is in the southeast quadrant of the Cuisinier pool, with injection of water to take place at the Cuisinier-24 well. The broad nature of the Cuisinier structure combined with variable flank aquifer pressure support has resulted in pressure depletion within the central portion of the Cuisinier pool. The injection of produced formation water is anticipated to generate a positive response in production performance of up to four offsetting producing wells. In addition, the planned program will also complement future water flood expansion phases currently in the initial planning stages.

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

CAUTIONARY STATEMENTS:

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", "future", "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. The forward-looking statements contained herein include, but are not limited to, statements regarding: the belief that the Cooper Basin assets offer attractive upside potential for oil and gas; the expectation that the Joint Venture's drilling campaign will allow for fracture stimulations to occur upon completion as required and result in operational efficiencies, cost savings and improved initial production rates; the timing of the first oil sales from the new 2019 wells; the expected timing of the multi-well development and appraisal drilling campaign on the Barta Block PL 303; the potential of further development drilling opportunities and pool expansion upside in the DC-50 sand in the Cuisinier 29 well; the timing of further results on the 2019 drilling completion program; the timing of the completion of a pilot pressure maintenance scheme and the potential positive performance response of up to four offsetting producing wells in the Cuisinier 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; the failure to satisfy the conditions under farm-in and joint venture agreements; the 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, 2019 under the heading "Risk Factors" and in Bengal's management's discussion and analysis for the Q1 and fiscal year ended March 31,2020 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.*

Selected Definitions

The following terms used in this news release have the meanings set forth below:

bbl - *barrel*
bbls - *barrels*
bbls/d -*barrels per day*
$/bbl - *dollars per barrel*
bopd *- barrels of oil per day*
FY *- fiscal year*
Q1 - *three months ended June 30*
Q2*- three months ended September 30*
Q3 *- three months ended December 31*
Q4 *- three months ended March 31*

Non-IFRS Measurements

Within this news release references are made to terms commonly used in the oil and gas industry. Funds from operations, funds from operations per share, operating netback, netback per bbl, adjusted net income (loss) and adjusted net income (loss) per share 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. Operating netback includes realized losses on financial instruments. Netback per bbl is calculated by dividing revenue (including realized loss on financial instruments) less royalties, operating expenses by the total production of the Company measured in bbl. Adjusted net income (loss) and adjusted net income (loss) per share are calculated based on Net income (loss) plus unrealized loss (gain) on financial instruments less unrealized foreign exchange loss (gain) and non-cash impairment of non-current assets. 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 pages 7 and 18 of Bengal's management's discussion and analysis for the Q1 and fiscal year ended March 31, 2020.

FOR FURTHER INFORMATION PLEASE CONTACT:

Bengal Energy Ltd.
Chayan Chakrabarty, President & Chief Executive Officer
Matthew Moorman, Chief Financial Officer
(403) 205-2526
Email: investor.relations@bengalenergy.ca
Website: www.bengalenergy.ca