



**Interim Condensed Consolidated Financial
Statements
(Unaudited)
Three and Six Months Ended
September 30, 2021 and 2020**

BENGAL ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Thousands of Canadian dollars)

(unaudited)

As at	Notes	September 30 2021	March 31 2021
Assets			
Current assets:			
Cash and cash equivalents		\$ 3,758	\$ 4,531
Restricted cash		40	40
Trade and other receivables		1,460	1,224
Prepaid expenses and deposits		460	445
		5,718	6,240
Exploration and evaluation assets	5	9,473	9,890
Property, plant and equipment	6	27,130	28,116
Total assets		\$ 42,321	\$ 44,246
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade and other payables		\$ 1,723	\$ 1,939
Current portion of lease liability		34	31
		1,757	1,970
Decommissioning and restoration liability	7	3,343	3,478
Lease liability		50	68
		5,150	5,516
Shareholders' equity:			
Share capital	8	114,636	114,636
Contributed surplus		7,935	7,870
Accumulated other comprehensive loss		(1,863)	(336)
Deficit		(83,537)	(83,440)
		37,171	38,730
Total liabilities and shareholders' equity		\$ 42,321	\$ 44,246

Commitments (Note 16)

See accompanying notes to the interim condensed consolidated financial statements.

BENGAL ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Thousands of Canadian dollars, except per share amounts)

(unaudited)

	Notes	Three months ended September 30		Six months ended September 30	
		2021	2020	2021	2020
Revenue					
Oil sales	10	\$ 1,884	\$ 1,260	\$ 3,431	\$ 2,359
Royalties		(113)	(76)	(206)	(142)
		1,771	1,184	3,225	2,217
Realized gain on financial instruments	13	-	261	-	806
Unrealized loss on financial instruments	13	-	(303)	-	(1,254)
		1,771	1,142	3,225	1,769
Expenses					
General and administrative		517	540	1,052	1,039
Operating		836	868	1,630	1,763
Depletion and depreciation	6	291	356	553	704
Share-based compensation		32	-	62	5
Loss (gain) on foreign exchange		(4)	(605)	2	(2,397)
		1,672	1,159	3,299	1,114
Other expense					
Other		-	(99)	-	(99)
Finance expense	12	14	264	23	536
Net income (loss)		85	(182)	(97)	218
Exchange differences on translation of foreign operations		(521)	315	(1,527)	1,636
Comprehensive (loss) income		\$ (436)	\$ 133	\$ (1,624)	\$ 1,854
Income (loss) per share - basic & diluted					
	11	\$ 0.00	\$ (0.00)	(0.00)	\$ 0.00
Weighted average shares outstanding (000s) - basic					
	11	432,987	102,267	432,987	102,267
- diluted	11	435,255	102,267	432,987	102,267

See accompanying notes to the interim condensed consolidated financial statements.

BENGAL ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Thousands of Canadian dollars)

(unaudited)

For the six months ended September 30	2021	2020
Share capital		
Balance at beginning and end of period	\$ 114,636	\$ 98,100
Contributed surplus		
Balance at beginning of period	7,870	7,861
Share-based compensation – expensed	62	5
Share-based compensation – capitalized	3	-
Balance at end of period	7,935	7,866
Accumulated other comprehensive loss		
Balance at beginning of period	(336)	(1,651)
Exchange differences translation of foreign operations	(1,527)	(1,636)
Balance at end of period	(1,863)	(15)
Deficit		
Balance at beginning of period	(83,440)	(87,368)
Net (loss) income	(97)	218
Balance at end of period	(83,537)	(87,150)
Total shareholders' equity	\$ 37,171	\$ 18,801

See accompanying notes to the interim condensed consolidated financial statements.

BENGAL ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands of Canadian dollars)

(unaudited)

	Notes	Three months ended September 30 2021	September 30 2020	Six months ended September 30 2021	September 30 2020
Operating activities:					
Net income (loss)		\$ 85	\$ (182)	\$ (97)	\$ 218
Add (deduct) non-cash items					
Depletion and amortization		291	356	553	704
Accretion on decommissioning and restoration liability		8	5	16	9
Accretion on credit facility		-	86	-	123
Share-based compensation		32	-	62	5
Interest on lease liability		1	3	2	6
Unrealized loss on financial Instruments		-	303	-	1,254
Unrealized foreign exchange gain		-	(638)	-	(2,596)
Funds from (used in) operations		417	(67)	536	(277)
Change in non-cash working capital	15	148	(99)	(745)	446
Net cash from (used in) operating activities		565	(166)	(209)	169
Investing activities:					
Exploration and evaluation expenditures	5	(17)	-	(10)	-
Petroleum and natural gas property expenditures	6	(632)	(124)	(776)	(223)
Change in restricted cash		-	-	-	100
Change in non-cash working capital	15	265	117	258	(31)
Net cash used in investing activities		(384)	(7)	(528)	(154)
Financing activities:					
Lease payments		(9)	(15)	(18)	(29)
Change in non-cash working capital	15	-	(4)	-	(4)
Net cash used in financing activities		(9)	(19)	(18)	(33)
Net increase (decrease) in cash and cash equivalents		172	(192)	(755)	(18)
Cash and cash equivalents, beginning of period		3,593	1,230	4,531	998
Impact of foreign exchange on cash and cash equivalents		(7)	17	(18)	75
Cash and cash equivalents, end of period		\$ 3,758	\$ 1,055	\$ 3,758	\$ 1,055

See accompanying notes to the interim condensed consolidated financial statements.

BENGAL ENERGY LTD.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three and six months ended September 30, 2021 and 2020

(Tabular amounts are stated in thousands of Canadian dollars except share and per share amounts)
(unaudited)

1. REPORTING ENTITY

Bengal Energy Ltd. (the “Company” or “Bengal”) is incorporated under the laws of the Province of Alberta and is involved in the exploration, development and production of oil and gas reserves in Australia. The interim condensed consolidated financial statements (the “financial statements”) of the Company for the three and six months ended September 30, 2021 and 2020 are comprised of the Company and its wholly-owned subsidiaries including Bengal Energy Australia (Pty) Ltd. and Bengal Energy International Inc., which are incorporated in Australia and Canada respectively. The Company conducts many of its activities jointly with others; these financial statements reflect only the Company’s proportionate interest in such activities.

The Company has its registered office at 2400, 525 – 8th Avenue SW, Calgary, Alberta T2P 1G1 and its head and principal office at 1110, 715 - 5th Ave SW, Calgary, Alberta, Canada, T2P 2X6.

2. BASIS OF PREPARATION AND GOING CONCERN

These financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. These interim condensed consolidated financial statements do not include all of the information required for full annual financial statements.

These financial statements were approved and authorized for issuance by the Board of Directors on November 4, 2021.

These financial statements have been prepared on a historical cost basis, except for commodity contracts as discussed in Note 13.

The Company’s presentation currency is Canadian dollars. The functional currency of the Canadian parent entity is Canadian dollars; the functional currency of the Australian subsidiary is Australian dollars.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used are consistent with those of the previous financial year as described in Note 3 of the Company’s consolidated financial statements for the year ended March 31, 2021.

4. MANAGEMENT JUDGMENTS AND ESTIMATES

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgments made by management in the preparation of these financial statements are out-lined below.

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. As a result of the global pandemic, in addition to numerous other factors, global commodity prices have experienced abnormal volatility over the past 24 months. Governments worldwide, including those in Canada and Australia, have enacted emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in economic instability. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions; however, the success of these interventions is not currently determinable.

The current challenging economic climate may have significant adverse impacts on the Company, including material declines in revenue and cash flows, and related impacts to working capital levels which may also have a direct impact on the Company's operating results and financial position. These and other factors may adversely affect the Company's liquidity and the Company's ability to generate income and cash flows to meet the Company's current and future obligations. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company is not known at this time.

A full list of the critical judgments in applying accounting policies and key sources of estimation uncertainty can be found in the Company's consolidated financial statements for the year ended March 31, 2021. Estimates and judgements made by management in the preparation of the financial statements are increasingly difficult and subject to a higher degree of measurement uncertainty during this volatile period.

5. EXPLORATION AND EVALUATION ASSETS ("E&E ASSETS")

(\$000s)	
Balance, April 1, 2020	8,930
Additions	61
Exchange adjustments	899
Balance, March 31, 2021	9,890
Additions	10
Exchange adjustments	(427)
Balance, September 30, 2021	9,473

A summary of E&E assets is shown in the table below:

(\$000s)	
ATP 732P – Tookoonooka	5,224
PL 303 – Barta Block Cuisinier (controlling permit ATP 752)	2,683
ATP 934 – Barrolka	1,983
Balance, March 31, 2021	9,890

(\$000s)	
ATP 732P – Tookoonooka	5,015
PL 303 – Barta Block Cuisinier (controlling permit ATP 752)	2,567
ATP 934 – Barrolka	1,891
Balance, September 30, 2021	9,473

Exploration and evaluation assets consist of the Company's exploration projects in Australia, which are pending the determination of proved or probable reserves. Costs primarily consist of acquisition costs, geological & geophysical work, seismic and drilling, and completion costs until the drilling of wells is complete and the results have been evaluated.

6. PROPERTY, PLANT AND EQUIPMENT (“PP&E”)

(\$000s)				
	Petroleum and natural gas properties	Other assets	Right-of-use assets	Total
<i>Cost:</i>				
Balance, April 1, 2020	43,822	344	219	44,385
Additions	1,193	-	-	1,193
Disposals	-	-	(76)	(76)
Change in decommissioning and restoration liability	(623)	-	-	(623)
Exchange adjustments	6,388	-	-	6,388
Balance, March 31, 2021	50,780	344	143	51,267
Additions	776	-	-	776
Capitalized share-based compensation	3	-	-	3
Exchange adjustments	(3,042)	-	-	(3,042)
Balance, September 30, 2021	48,517	344	143	49,004

(\$000s)				
	Petroleum and natural gas properties	Other assets	Right-of-use assets	Total
<i>Accumulated depletion, depreciation and impairment losses:</i>				
Balance, April 1, 2020	17,7277	319	47	18,093
Depletion and depreciation	1,285	6	42	1,333
Disposals	-	-	(28)	(28)
Exchange adjustments	3,753	-	-	3,753
Balance, March 31, 2021	22,765	325	61	23,151
Depletion and depreciation	536	2	15	553
Exchange adjustments	(1,830)	-	-	(1,830)
Balance, September 30, 2021	21,471	327	76	21,874

(\$000s)				
<i>Net carrying amount:</i>				
At March 31, 2021	28,015	19	82	28,116
At September 30, 2021	27,046	17	67	27,130

At September 30, 2021, the Company determined that there were no external or internal indicators of impairment. As a result, no impairment testing was conducted.

During the six months ended September 30, 2021, the Company capitalized \$0.1 million of general and administrative expense (2020 - \$nil).

The calculation of depletion for the three and six months ended September 30, 2021 included \$60.9 million for estimated future development costs associated with proved and probable reserves in Australia (March 31, 2021 - \$60.9 million).

7. DECOMMISSIONING AND RESTORATION LIABILITY

Changes to decommissioning and restoration obligations were as follows:

\$000s)	
Balance, April 1, 2020	3,690
Change in estimate	(623)
Accretion	19
Exchange adjustments	392
Balance, March 31, 2021	3,478
Accretion	16
Exchange adjustments	(151)
Balance, September 30, 2021	3,343

The Company's decommissioning liabilities result from ownership interests in petroleum and natural gas properties. The Company estimates the total inflation-adjusted undiscounted amount of cash flows required to settle its decommissioning and restoration costs at September 30, 2021 is approximately \$4.0 million (March 31, 2021 - \$4.1 million) which will be incurred between 2023 and 2057. An inflation factor of 1.1% (March 31, 2021 - 1.1%) and a risk-free discount rate of 1.74% (March 31, 2021 -1.74%) have been applied to the decommissioning liability at September 30, 2021.

8. SHARE CAPITAL

Authorized:

Unlimited number of common shares with no par value.

Unlimited number of preferred shares, of which none have been issued.

Issued:

The following provides a continuity of share capital:

(\$000s)	Number of common shares	Amount
Balance at March 31, 2021 and September 30, 2021	432,986,694	114,636

9. SHARE-BASED COMPENSATION

The Company has a share option plan for directors, officers and employees of the Company whereby share options representing up to 10% of the issued and outstanding common shares can be granted by the Board of Directors. Share options are granted for a term of up to five years and vest one-third after the first year and one-third on each of the next two anniversary dates. The exercise price of each option equals the market price of the Company's common shares on the date of grant.

Stock options granted under the plan can be exercised on a cashless basis, whereby the employee receives a lesser amount of shares in lieu of paying the exercise price based on the deemed market price of the shares on the exercise date, and withholding taxes if the employee so elects.

A summary of stock option activity is presented below:

	Options	Weighted average exercise price
		\$
Balance, March 31, 2021	13,716,667	0.08
Expired	(241,667)	0.11
Balance, September 30, 2021	13,475,000	0.08
Exercisable, September 30, 2021	2,135,000	0.10

10. REVENUE

Revenue from the sales of crude oil is based on the consideration specified in the Crude Oil Sales and Purchase Agreement (“COSP Agreement”) with the joint venture operator. The Company recognizes revenue when it transfers control of the product to the joint venture operator, which is generally at the time the joint venture operator obtains legal title of the crude oil and when it is physically delivered to the pipeline at an estimated transaction price based on average US Brent price and is adjusted for quality and other factors specified in the COSP Agreement once the product is shipped to the end customer and lifted.

The transaction price as prescribed in the COSP Agreement is a variable price based on the benchmark US Brent commodity price index, and may be adjusted for quality, location, delivery method or other factors depending on the agreed upon terms of the contract. The amount of revenue recorded can vary depending on the grade, quality and quantity of crude oil transferred to the joint venture operator. The COSP Agreement has an initial term to March 31, 2022, whereby delivery takes place through the contract period. Revenues are typically collected 60 days following delivery to Port Bonython.

11. PER SHARE AMOUNTS

Income (loss) per share is calculated based on net loss and the weighted-average number of common shares outstanding.

(\$000s except per share amounts)	Three months ended September 30		Six months ended September 30	
	2021	2020	2021	2020
Net Income (loss) for the period	85	(182)	(97)	218
Weighted average number of Common shares - basic (000s)	432,987	102,267	432,987	102,267
- diluted (000s)	435,255	102,267	432,987	102,267
Basic and diluted income (loss) per share	0.00	(0.00)	(0.00)	0.00

For the three and six months ended September 30, 2021, there were 13,475,000 options outstanding of which 2,135,000 and 13,475,000 (2020 – 2,685,000) were considered anti-dilutive.

12. FINANCE EXPENSE

(\$000s)	Three months ended September 30		Six months ended September 30	
	2021	2020	2021	2020
Accretion on decommissioning and restoration liability	8	5	16	9
Interest on lease liability	1	3	2	6
Interest on credit facility	-	256	-	521
Interest – other	5	-	5	-
	14	264	23	536

13. FINANCIAL RISK MANAGEMENT

The Company has exposure to credit, liquidity and market risk from its use of financial instruments. This note presents information about the Company's exposure to these risks, the Company's objectives and policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for identifying the principal risks of the Company and ensuring the policies and procedures are in place to appropriately manage these risks. Bengal's management identifies, analyzes and monitors risks and considers the implication of the market condition in relation to the Company's activities.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from Bengal's cash calls paid to joint venture partners and receivables from petroleum and natural gas marketers. As at September 30, 2021, Bengal's receivables include \$1.4 million (March 31, 2021 - \$1.2 million) from joint venture partners, of which \$0.4 million has been collected subsequent to September 30, 2021.

Bengal has a COSP Agreement with a purchaser and has not experienced any collection problems to date.

Cash calls paid to Bengal's Australian joint venture partners are held in trust accounts by the partner until spent. Bengal attempts to mitigate the risk from joint venture receivables by approving significant spending by partners prior to expenditure and only paying the cash call shortly before the funds are to be spent.

The Company had no accounts considered past due at September 30, 2021 (March 31, 2021 - \$nil). Past due is considered greater than 90 days outstanding.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. Bengal establishes an allowance for doubtful accounts as determined by management based on their assessment of collection. Bengal does not have an allowance for doubtful accounts as at September 30, 2021 (March 31, 2021 - \$nil) and did not provide for any doubtful accounts, nor was it required to write-off any receivables during the six months ended September 30, 2021.

Cash and cash equivalents, when held, consist of cash bank balances and guaranteed investment certificates redeemable at any time. Bengal manages the credit exposure related to guaranteed investments by selecting counterparties based on credit ratings and monitors all investments to ensure a stable return, avoiding complex investment vehicles with higher risk such as asset-backed commercial paper.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations, including work commitments, as they are due. Bengal prepares an annual budget and updates forecasts for operating, financing and investing activities on an ongoing basis to ensure it will have sufficient liquidity to meet its liabilities when due.

Bengal's financial liabilities consist of trade and other payables and lease liability and amounted to \$1.8 million at September 30, 2021 (March 31, 2021 - \$2.0 million).

At September 30, 2021, the Company had working capital of \$4.0 million, including cash and short-term deposits of \$3.8 million and restricted cash of \$0.04 million, compared to working capital of \$4.3 million at March 31, 2021.

The Company has adequate working capital and anticipates sufficient cash flow to maintain operations and meet near term capital expenditures. The Company may advance its growth initiatives by accessing external sources of capital if attractive financing alternatives, either debt or equity, become available and are appropriate.

The majority of the Company's oil sales are benchmarked on US Brent prices. The Company incurs most of its expenditures in Australian dollars whereas the Company generates most of its revenues in US dollars. The Company is acting with its joint venture partners to reduce discretionary spending and focus capital towards lower risk projects with near-term cash flow upside.

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, commodity price risk and interest rate risk. The Company is exposed to market risks resulting from fluctuations in foreign exchange rates, commodity prices and interest rates in the normal course of operations. A variety of derivative instruments may be used to reduce exposure to these risks.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. Bengal receives US dollars for Australian oil sales and incurs expenditures in Australian and Canadian currencies. The Company may enter into derivative foreign currency contracts in order to manage foreign currency risk but has not done so to date.

The table below shows the Company's exposure in Canadian dollar equivalent to foreign currencies for its financial instruments at September 30, 2021:

(\$000s)	CAD\$	AUS\$	US\$	Total
Cash and cash equivalents	2,965	28	765	3,758
Restricted cash	40	-	-	40
Trade and other receivables	8	5	1,447	1,460
Trade and other payables	(126)	(1,597)	-	(1,723)
Lease liability	(84)	-	-	(84)
	2,803	(1,564)	2,212	3,451
Exchange rates as at Sep 30:			2021	2020
Number of CAD\$ for 1 AUS\$			0.92	0.94
Number of CAD\$ for 1 US\$			1.27	1.36

Commodity Price Risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of a change in commodity prices. Commodity prices for petroleum and natural gas are impacted by not only the relationship between the Canadian and United States dollar, as outlined above, but also world economic events that dictate the levels of supply and demand. Australian oil prices are based on the US Brent reference price, which currently trades at a premium to WTI.

During the six months ended September 30, 2020, the Company recorded a realized gain of \$0.8 million and an unrealized loss of \$1.3 million on its derivative contracts. At March 31, 2021 and September 30, 2021, the Company had no derivative contracts outstanding.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to interest rate risk on its cash and cash equivalents at September 30, 2021 as the funds are not invested in interest-bearing instruments. The Company had no interest rate derivatives at September 30, 2021.

14. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base for the objectives of maintaining financial flexibility which will allow it to execute on its capital investment program, provide creditor and market confidence and to sustain future development of the business. The February 2021 recapitalization transaction materially realigned the Company's capital structure by eliminating all outstanding debt while adding \$4.0 million of working capital. This provides additional financial and capital flexibility further to the Company's strategy described above. The Company has maintained its working capital position at \$4.0 million at September 30, 2021.

The Company manages its capital structure and makes adjustments by continually monitoring its business conditions, including: changes in economic conditions, the risk profile of its drilling inventory, the efficiencies of past investments, the efficiencies of forecasted investments and the timing of such investments, the forecasted cash balances, the forecasted commodity prices and resulting cash flow.

In order to maintain or adjust the capital structure, the Company may from time to time issue shares (if available on reasonable terms), issue debt instruments, sell assets, farm out properties and adjust its capital spending to manage current and projected cash levels. There can be no assurance that equity financing will be available or sufficient to meet capital commitments, or for other corporate purposes, or if equity financing is available, that it will be on terms acceptable to the Company.

15. SUPPLEMENTAL CASH FLOW INFORMATION

Change in non-cash working capital items

(\$000s)	Three months ended September 30		Six months ended September 30	
	2021	2020	2021	2020
Trade and other receivables	110	4	(236)	223
Prepaid expenses and deposits	-	(99)	-	(98)
Trade and other payables	345	101	(216)	216
Effect of change in foreign exchange rates	(42)	8	(35)	70
	413	14	(487)	411

Attributable to:

Operating	148	(99)	(745)	446
Investing	265	117	258	(31)
Financing	-	(4)	-	(4)
	413	14	(487)	411

The following represents the cash interest paid and received in each period:

Cash interest paid and received	Three months ended		Six months ended	
	September 30		September 30	
	2021	2020	2021	2020
Cash interest paid	4	175	4	408

16. COMMITMENTS

The Queensland Government regulatory authority granted the Company Authority to Prospect 934 ("ATP 934") under a revised work program on March 1, 2015. In Q4 fiscal 2018, the Company consolidated its ownership of ATP 934 and now holds a 100% operating interest in this permit. The purchase consideration was AUS\$0.3 million cash and potential future cash payments of up to AUS\$1.0 million, which is made up of a AUS\$0.2 million on certification by an independent competent person appointed by Bengal Energy (Australia) Pty Ltd. of not less than 25 billion cubic feet of proved reserves and AUS\$0.8 million due upon the delivery of the first shipments of gas to market. The work program consists of 260 km² of 3D seismic and up to three wells.

At September 30, 2021, the Company had the following capital work commitments:

Country and permit	Work program	Obligation period ending	Estimated expenditure (net) (millions CAD\$) ⁽¹⁾
Onshore Australia – ATP 934	260 km ² 3D seismic and up to three wells	February 2027	8.2 ⁽²⁾
Onshore Australia – ATP 732	Geological and geophysical studies	March 2023	0.1
Offshore Australia AC/RL 10	Geological and geophysical studies	March 2023	0.1

(1) Translated at September 30, 2021 at an exchange rate of AUS\$1.00 = CAD\$0.9164.

(2) During fiscal 2021, the Company received confirmation that the commitment on ATP 934 was reduced in exchange for a 50% relinquishment of the non-potential acreage of ATP 934 at the end of the first term expiry date of February 28, 2021. During Q2 fiscal 2021, the Company entered into a farm-in agreement with Santos whereby Santos will pay 100% of the well costs of a one well work program with an estimated cost of AUS\$2.7 million planned for the second half of calendar 2021. The \$8.2 million of estimated expenditures is net of the estimated carried cost of AUS\$2.7 million.

At September 30, 2021, the contractual obligations for which the Company is responsible are as follows:

Contractual obligations

(\$000s)

October 2021 to March 2057	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Office lease	232	101	131	-	-
Decommissioning and restoration	3,343	-	708	58	2,577
	3,575	101	839	58	2,577

17. SEGMENTED INFORMATION

As at September 30, 2021, the Company has two reportable operating segments, being the Australian oil and gas operations and corporate.

Revenue reported below represents revenue generated from external customers. There were no inter-segment sales in any of the reported periods.

The accounting policies of the reportable segments are the same as the group's accounting policies. Segment profit represents the profit earned by each segment without allocation of directors' salaries, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(\$000s)	For the six months ended September 30, 2021		
	Australia	Corporate	Total
Revenue	3,431	-	3,431
Interest revenue	-	-	-
Interest expense	4	3	7
Depletion and depreciation	536	17	553
Impairment	-	-	-
Net income (loss)	348	(445)	(97)
Exploration and evaluation expenditures	10	-	10
Petroleum and natural gas property expenditures	776	-	776

(\$000s)

September 30, 2021

Exploration and evaluation assets	9,473	-	9,473
Petroleum and natural gas properties	27,046	-	27,046
Total assets	39,211	3,110	42,321
Total liabilities	4,940	210	5,150

(\$000s)	For the six months ended September 30, 2020		
	Australia	Corporate	Total
Revenue	2,359	-	2,359
Interest revenue	-	-	-
Interest expense	521	6	527
Depletion and depreciation	678	26	704
Impairment	-	-	-
Net income (loss)	578	(360)	218
Exploration and evaluation expenditures	-	-	-
Petroleum and natural gas property expenditures	223	-	223

(\$000s)

September 30, 2020

Exploration and evaluation assets	9,794	-	9,794
Petroleum and natural gas properties	28,153	-	28,153
Total assets	40,727	411	41,138
Total liabilities	21,918	419	22,337

(\$000s)

For the three months ended September 30, 2021

	Australia	Corporate	Total
Revenue	1,884	-	1,884
Interest revenue	-	-	-
Interest expense	4	2	6
Depletion and depreciation	283	8	291
Impairment	-	-	-
Net income (loss)	300	(215)	85
Exploration and evaluation expenditures	17	-	17
Petroleum and natural gas property expenditures	632	-	632

(\$000s)

For the three months ended September 30, 2020

	Australia	Corporate	Total
Revenue	1,260	-	1,260
Interest revenue	-	-	-
Interest expense	256	3	259
Depletion and depreciation	342	14	356
Impairment	-	-	-
Net loss	(51)	(131)	(182)
Exploration and evaluation expenditures	-	-	-
Petroleum and natural gas property expenditures	124	-	124

18. SUBSEQUENT EVENTS

On October 14, 2021, the Company's joint venture partner Santos QNT Pty Ltd. ("Santos") completed the drilling of the Legbar-1 exploration well. Santos paid 100% of the costs to drill, plug and abandon the well and has accordingly earned a 60% working interest in the 420 square kilometer southern portion of the ATP 934 exploration block. This drilling satisfies one of the three well drilling commitments associated with the block as described in Note 16 to these financial statements.

CORPORATE INFORMATION

AUDITORS

KPMG LLP • Calgary, Canada

LEGAL COUNSEL

Burnet, Duckworth & Palmer LLP • Calgary, Canada
Piper Alderman • Sydney, Australia

BANKERS

Royal Bank of Canada • Calgary, Canada
WestPac • Sydney, Australia

REGISTRAR AND TRANSFER AGENT Computershare • Toronto, Canada

DIRECTORS

Chayan Chakrabarty
James B. Howe
Peter Lansom
Dr. Brian J. Moss
Robert D. Steele (Chairman)
W. B. (Bill) Wheeler

DISCLOSURE COMMITTEE

Chayan Chakrabarty
Jerrad Blanchard

AUDIT COMMITTEE

James B. Howe (Chairman)
Robert D. Steele
W. B. (Bill) Wheeler

RESERVES COMMITTEE

Dr. Brian J. Moss (Chairman)
Peter Lansom
Bob Steele

COMPENSATION COMMITTEE

Dr. Brian J. Moss (Chairman)
Robert D. Steele
Peter Lansom

GOVERNANCE AND NOMINATING COMMITTEE

W.B. (Bill) Wheeler (Chairman)
Robert D. Steele
Jim Howe

HEALTH SAFETY AND ENVIRONMENT COMMITTEE

Peter Lansom (Chairman)
Robert D. Steele
Dr. Brian J. Moss

OFFICERS

Chayan Chakrabarty, President & Chief Executive Officer
Richard N. Edgar, Executive Vice President
Jerrad Blanchard, Chief Financial Officer
Bruce Allford, Secretary

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