



**Interim Condensed Consolidated  
Financial Statements  
(Unaudited)**

**Six months ended September 30, 2024 and 2023**

**NOTICE**

These interim condensed consolidated financial statements have not been reviewed by the Entity's auditors.

(signed) "Chayan Chakrabarty"

Chayan Chakrabarty

President & Chief Executive Officer

(signed) "Jerrad Blanchard"

Jerrad Blanchard

Chief Financial Officer

# BENGAL ENERGY LTD.

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Thousands of Canadian dollars)  
(unaudited)

As at	Note	September 30, 2024	March 31, 2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 522	\$ 692
Accounts receivable		1,962	1,782
Prepays and deposits		826	903
		<b>3,310</b>	<b>3,377</b>
Exploration and evaluation assets	5	12,745	11,993
Property, plant and equipment	6	19,439	18,991
		<b>\$ 35,494</b>	<b>\$ 34,361</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities</b>			
Trade and other payables		\$ 3,158	\$ 3,178
		<b>3,158</b>	<b>3,178</b>
Decommissioning and restoration liability	7	3,768	3,477
		<b>6,926</b>	<b>6,655</b>
<b>Shareholders' Equity</b>			
Share capital	8	118,796	118,796
Contributed surplus		8,139	8,136
Accumulated other comprehensive loss		(1,710)	(3,387)
Deficit		(96,657)	(95,839)
		<b>28,568</b>	<b>27,706</b>
		<b>\$ 35,494</b>	<b>\$ 34,361</b>

Going concern (Note 2)

Commitments (Note 16)

See accompanying notes to the interim condensed consolidated financial statements.

# BENGAL ENERGY LTD.

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

(Thousands of Canadian dollars, except per share amounts)  
(unaudited)

	Note	Three months ended September 30,		Six months ended September 30,	
		2024	2023	2024	2023
Revenue					
Oil sales	10	\$ 1,252	1,937	3,154	3,609
Royalties		(120)	(101)	(263)	(214)
		1,132	1,836	2,891	3,395
Expenses					
General and administrative		725	837	1,519	1,642
Operating		632	874	1,379	1,603
Depletion and depreciation		280	284	659	585
		1	7	2	16
Loss on foreign exchange		62	1	69	30
		(568)	(167)	(737)	(481)
Other expense					
Finance expense	12	40	46	81	96
Net loss		(608)	(213)	(818)	(577)
Exchange differences on translation of foreign operations		715	(310)	1,677	(1,530)
Net comprehensive income (loss)		\$ 107	\$ (523)	\$ 859	\$ (2,107)
Net loss per share					
- basic and diluted	11	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding (000s)					
- basic	11	485,304	485,304	485,304	485,304
- diluted	11	485,304	485,304	485,304	485,304

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)

	Six months ended September 30, 2024	Six months ended September 30, 2023
<b>Share capital</b>		
Balance at beginning of period	\$ 118,796	\$ 118,796
Balance at end of period	118,796	118,796
<b>Contributed surplus</b>		
Balance at beginning of period	8,136	8,103
Share-based compensation – expensed	2	16
Share-based compensation – capitalized	1	1
Balance at end of period	8,139	8,120
<b>Accumulated other comprehensive loss</b>		
Balance at beginning of period	(3,387)	(2,254)
Exchange differences translation of foreign operations	1,677	(1,530)
Balance at end of period	(1,710)	(3,784)
<b>Deficit</b>		
Balance at beginning of period	(95,839)	(83,111)
Net loss	(818)	(577)
Balance at end of period	(96,657)	(83,688)
<b>Total Shareholders' Equity</b>	<b>\$ 28,568</b>	<b>\$ 39,444</b>

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)

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
<b>Operating activities:</b>				
Net loss	(608)	(213)	(818)	(577)
Add (deduct) non-cash items:				
Depletion and depreciation	280	284	659	585
Accretion on decommissioning liability	37	44	74	88
Share-based compensation	1	7	2	16
Unrealized foreign exchange (gain) loss	(4)	1	(8)	3
Funds (used in) from operations	(294)	123	(91)	115
Change in non-cash working capital	15	(766)	(329)	(860)
Net cash (used in) operating activities	(129)	(643)	(420)	(745)
<b>Investing activities:</b>				
Exploration and evaluation expenditures	5	(1)	(14)	(41)
Property, plant and equipment expenditures	6	(113)	(44)	(286)
Proceeds on disposition of equipment	6	649	83	649
Change in non-cash working capital	15	(245)	200	186
Net cash from investing activities	83	290	225	508
<b>Financing activities:</b>				
Lease payments	-	(11)	-	(21)
Net cash (used in) financing activities	-	(11)	-	(21)
Net change in cash and cash equivalents	(46)	(364)	(195)	(258)
Cash and cash equivalents, beginning of period	557	880	692	795
Impact of foreign exchange	11	(5)	25	(26)
Cash and cash equivalents, end of period	522	511	522	511

See accompanying notes to the interim condensed consolidated financial statements.

# BENGAL ENERGY LTD.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Six months ended September 30, 2024 and 2023

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

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#### 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 as at September 30, 2024 and for the three and six months ended September 30, 2024 and 2023 are comprised of the Company and its wholly owned subsidiaries including Bengal Energy Australia (Pty) Ltd. (“Bengal Pty”) 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 Suite 640, 630 – 6th Avenue SW, Calgary, Alberta, Canada, T2P 0S8.

#### 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 and have not been reviewed by the Company’s independent auditors.

These financial statements were approved and authorized for issuance by the Board of Directors on November 12, 2024.

The consolidated financial statements are prepared on a historical cost basis except as detailed in the accounting policies disclosed in the Company’s audited consolidated financial statements for the year ended March 31, 2024. 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.

##### Going Concern

These financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

At September 30, 2024, the Company had a positive working capital of \$0.2 million (March 31, 2024 positive working capital of \$0.2 million), which the Company defines as total current assets less total current liabilities, generated a net loss of \$0.8 million (six months ended September 30, 2023 – net loss of \$0.6 million), and had net cash used in operating activities of \$0.1 million (six months ended September 30, 2023 – generated net cash from operating activities of \$0.1 million).

The Company’s working capital includes both accrued accounts receivable and accounts payable due to the Operator of the Cuisinier field. The Company does not have the legal right to offset these accounts and therefore there is a risk that the inability to collect on accrued receivables could impair Bengal’s ability to pay joint venture liabilities resulting in a default under the Cuisinier Joint Operating Agreement. This default could result in the Company losing some or all of its working interest in the Cuisinier field.

The Company also has significant capital work commitments associated with its exploration and evaluation assets that if unfulfilled could result in a loss of acreage (Note 16) and without future development could result in a decline in production and revenues with additional net cash used in operating activities.

The Company’s ability to continue as a going concern is dependent upon its ability to generate net cash from operating activities and/or raise additional financing to meet its ongoing operational requirements and to fund its future development costs associated with exploration and evaluation assets and petroleum and natural gas properties development. There can be no assurances about generating net cash from operating activities or that additional financing will be available for the Company. This could result in a

continued decline in production and revenues with additional net cash used in operating activities. These matters create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

### 3. MATERIAL ACCOUNTING POLICIES

The accounting policies used to prepare these financial statements are consistent with those described in Note 3 of the Company's consolidated financial statements for the year ended March 31, 2024, with the exception of the adoption of the amendments to IAS 1 current liabilities. The Company adopted Amendments to IAS 1 Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants effective April 1, 2024. The amendments did not have an impact on the interim condensed consolidated financial statements.

### 4. MANAGEMENT JUDGMENTS AND ESTIMATES

#### Critical judgments in applying accounting policies

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 outlined below.

The 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 and/or debt balances, 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. A full list of the critical judgments in applying accounting policies and key sources of estimation uncertainty can be found in Note 5 of the Company's consolidated financial statements for the year ended March 31, 2024.

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

<b>(\$000s)</b>	
Balance, March 31, 2023	<b>\$ 12,248</b>
Additions	77
Capitalized share-based compensation	1
Exchange adjustments	(333)
<b>Balance, March 31, 2024</b>	<b>\$ 11,993</b>
Additions	14
Capitalized share-based compensation	-
Exchange adjustments	738
<b>Balance, September 30, 2024</b>	<b>\$ 12,745</b>

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

<b>(\$000s)</b>	
ATP 732 / PCA 332 - Toookoonooka	\$ 7,408
PL 303 – Barta Block Cuisinier (controlling permit ATP 752)	2,478
ATP 934 – Barrolka	2,082
Other	25
<b>Balance, March 31, 2024</b>	<b>\$ 11,993</b>

(\$000s)	
ATP 732 / PCA 332 – Tookoonooka	\$ 7,873
PL 303 – Barta Block Cuisinier (controlling permit ATP 752)	2,630
ATP 934 – Barrolka	2,215
Other	27
<b>Balance, September 30, 2024</b>	<b>\$ 12,745</b>

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 and geophysical work, seismic and drilling, and completion costs until the drilling of wells is completed, 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>				
<b>Balance, March 31, 2023</b>	<b>57,176</b>	<b>347</b>	<b>143</b>	<b>57,666</b>
Additions	397	-	-	397
Capitalized share-based compensation	2	-	-	2
Research and development credit	(649)	-	-	(649)
Change in decommissioning and restoration liability	(1,662)	-	-	(1,662)
Exchange adjustments	(2,078)	-	-	(2,078)
<b>Balance, March 31, 2024</b>	<b>\$ 53,186</b>	<b>\$ 347</b>	<b>\$ 143</b>	<b>\$ 53,676</b>
Additions	44	-	-	44
Disposal of equipment	(83)	-	-	(83)
Exchange adjustments	4,478	-	-	4,478
<b>Balance, September 30, 2024</b>	<b>\$ 57,625</b>	<b>\$ 347</b>	<b>\$ 143</b>	<b>\$ 58,115</b>

(\$000s)	Petroleum and natural gas properties	Other assets	Right-of-use assets	Total
<i>Accumulated depletion, depreciation and impairment loss:</i>				
<b>Balance, March 31, 2023</b>	<b>22,547</b>	<b>332</b>	<b>121</b>	<b>23,000</b>
Depletion and depreciation	1,215	3	22	1,240
Impairment	11,588	-	-	11,588
Exchange adjustments	(1,143)	-	-	(1,143)
<b>Balance, March 31, 2024</b>	<b>\$ 34,207</b>	<b>\$ 335</b>	<b>\$ 143</b>	<b>\$ 34,685</b>
Depletion and depreciation	658	1	-	659
Exchange adjustments	3,334	(2)	-	3,332
<b>Balance, September 30, 2024</b>	<b>\$ 38,199</b>	<b>\$ 334</b>	<b>\$ 143</b>	<b>\$ 38,676</b>

(\$000s)				
<i>Net carrying amount:</i>				
Balance, March 31, 2024	\$ 18,979	\$ 12	\$ -	\$ 18,991
<b>Balance, September 30, 2024</b>	<b>\$ 19,426</b>	<b>\$ 13</b>	<b>\$ -</b>	<b>\$ 19,439</b>

As at September 30, 2024, there were no external or internal indicators of impairment. During the six months ended September 30, 2024, the Company capitalized \$0.1 million of general and administrative expenses (six months ended September 30, 2023 - \$0.1 million).

At March 31, 2024 there was a decrease in reserves volumes associated with the Cuisinier field due to a change in development plans. Management considers the resulting decline in budgeted net cash flows as a potential indicator of impairment. In accessing the CGU's recoverable amount, management concluded that value in use (“VIU”) was greater than fair value less cost to sell. Management measured the value in use of the Cuisinier field based on expected future cashflows discounted at rates between 9%-40% depending on inherent development risks. It was determined that the value in use exceeds the carrying

value of the Company's petroleum and natural gas properties as at March 31, 2024, resulting in an impairment charge of \$11.6 million.

The projected cash flows used in the VIU calculation were derived from a report on the Company's oil reserves which was prepared by GLJ Ltd., an independent qualified reserve evaluator, as of March 31, 2024. The following table details the forward pricing used in estimating the CGU's recoverable amounts as at March 31, 2024.

<b>YEAR FORECAST</b>	<b>Brent (\$Cdn/Bbl)</b>	<b>Exchange Rate<sup>(1)</sup> (\$Cdn/\$ US )</b>	<b>Brent<sup>(2)</sup> (\$US/Bbl)</b>
2024 Q2-Q4 <sup>(1)</sup>	112.36	0.745	82.83
2025	109.03	0.755	81.50
2026	107.60	0.765	81.50
2027	109.03	0.765	82.58
2028	111.15	0.765	84.19
2029	113.41	0.765	85.90
2030	115.71	0.765	87.64
2031	117.99	0.765	89.37
2032	120.36	0.765	91.16
2033	122.76	0.765	92.98
2034+	125.21	0.765	+2%/yr

(1) Exchange rates used to generate the benchmark reference prices in this table.

(2) Crude oil pricing has been estimated by GLJ as Brent blend in US dollars. Historical futures contract price is an average of the daily settlement price of the near-month contract over the calendar month.

The calculation of depletion for the six months ended September 30, 2024 included \$19.8 million for estimated future development costs associated with proved and probable reserves in Australia (March 31, 2024 - \$19.8 million).

## 7. DECOMMISSIONING AND RESTORATION LIABILITY

Changes to decommissioning and restoration obligations were as follows:

<b>(\$000s)</b>	
<b>Balance, March 31, 2023</b>	<b>\$ 5,096</b>
Change in estimate	(1,662)
Accretion	178
Exchange adjustments	(135)
<b>Balance, March 31, 2024</b>	<b>\$ 3,477</b>
Accretion	74
Exchange adjustments	217
<b>Balance, September 30, 2024</b>	<b>\$ 3,768</b>

The Company's decommissioning liabilities result from ownership interests in petroleum and natural gas properties. The Company estimates the total unadjusted and uninflated cash flows required to settle its decommissioning and restoration costs at September 30, 2024 is approximately \$3.4 million (March 31, 2024 – \$3.2 million) which will be incurred between 2026 and 2064. At September 30, 2024, an inflation factor of 4.0% (March 31, 2024 – 4.0%) and a risk-free discount rate of 4.0% (March 31, 2024 – 4.0%) have been applied to the decommissioning liability.

## 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:

	Number of common shares	Amount
<b>Balance, March 31, 2024</b>	<b>485,304,215</b>	<b>118,796</b>
<b>Balance, September 30, 2024</b>	<b>485,304,215</b>	<b>118,796</b>

**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 the grant.

Stock options granted under the plan can be exercised on a cashless basis, whereby the recipient 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 option holder so elects.

A summary of stock option activity is presented below:

	Options	Weighted average exercise price
Balance, March 31, 2023	10,920,000	0.08
Forfeited	(300,000)	0.11
<b>Balance, March 31, 2024</b>	<b>10,620,000</b>	<b>0.08</b>
Granted	750,000	0.03
Forfeited	(1,050,000)	0.08
<b>Balance, September 30, 2024</b>	<b>10,320,000</b>	<b>0.08</b>
<b>Exercisable, September 30, 2024</b>	<b>9,320,000</b>	<b>0.08</b>

Exercise Price	Number Outstanding	Remaining Life (years)	Number Exercisable
\$0.00 to \$0.03	750,000	4.91	-
\$0.04 to \$0.08	8,820,000	1.47	8,820,000
\$0.08 to \$0.09	750,000	2.12	250,000
	<b>10,320,000</b>	<b>1.77</b>	<b>9,320,000</b>

There were no options granted during fiscal 2024 nor for the three and six months ended September 30, 2024.

The fair value of the options granted during the quarter ended September 31, 2024 of \$0.03 was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions and resulting values. There were no options granted during fiscal 2024.

Share price on grant date	\$0.03
Risk-free interest rate (%)	3
Expected life (years)	5
Expected volatility (%)	102
Forfeiture rate (%)	20

**10. REVENUE**

Revenue from the sales of crude oil is based on the consideration specified in the Liquids Aggregation Agreement with the joint venture operator. The Company recognizes revenue when it transfers control of the product to the buyers, which, under the current Crude Oil Transportation Agreement is generally at the time the Crude Oil purchasers obtain legal title of the crude oil when it is physically lifted onto a Crude Oil carrying vessel at the Port Bonython lifting facility. At the time of lifting, the transaction price is based on the average US Brent price and adjusted for quality and other factors specified in the Liquids Aggregation Agreement. The transaction price as prescribed in the Liquids Aggregation 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. Revenues are typically collected 60 days following delivery to Port Bonython. The Cuisinier Joint Venture has recently negotiated a revised Crude Oil Sales and Purchase Agreement (“COSPA”) with corresponding transportation agreements effective January 1, 2024, through to December 31, 2024.

## 11. PER SHARE AMOUNTS

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

(\$000s except per share amounts)	Three months ended		Six months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Net loss for the period	(608)	(213)	(818)	(577)
Weighted average number of common shares				
– basic (000s)	485,304	485,304	485,304	485,304
– diluted (000s)	485,304	485,304	485,304	485,304
<b>Basic and diluted (loss) income per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>

For the six months ended September 30, 2024, 10,320,000 (year ended March 31, 2024 – 10,320,000) of the options were considered anti-dilutive.

## 12. FINANCE EXPENSE

(\$000s)	Three months ended		Six months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Accretion on decommissioning liability	38	44	75	88
Interest on lease liability	-	(1)	-	-
Interest expense	2	3	6	8
	<b>40</b>	<b>46</b>	<b>81</b>	<b>96</b>

## 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, 2024, Bengal’s receivables consisted of \$2.0 million (March 31, 2024 - \$1.8 million) from joint venture partners (all of which has been collected subsequent to period end).

Bengal has a Liquids Aggregation 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, 2024 (March 31, 2024 - \$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, 2024 (March 31, 2024 – \$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, 2024.

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 \$3.2 million at September 30, 2024 (March 31, 2024 - \$3.2 million).

At September 30, 2024, the Company had positive working capital of \$0.2 million (March 31, 2024 - \$0.2 million), which the Company defines as total current assets less total current liabilities, excluding other obligations and current portion of decommissioning obligations. The Company's working capital includes both accrued accounts receivable and accounts payable due to the Operator of the Cuisinier field. The Company does not have the legal right to offset these accounts and therefore there is a risk that the inability to collect on accrued receivables could impair Bengal's ability to pay joint venture liabilities resulting in a default under the Cuisinier Joint Operating Agreement. This default could result in the Company losing some or all of its working interest in the Cuisinier field.

The Company also has significant capital work commitments associated with its exploration and evaluation assets that if unfulfilled could result in a loss of acreage (Note 16) and without future development could result in a decline in production and revenues with additional net cash used in operating activities.

The Company's ability to continue as a going concern is dependent upon its ability to generate net cash from operating activities and/or raise additional financing to meet its ongoing operational requirements and to fund its future development costs associated with exploration and evaluation assets and petroleum and natural gas properties development.

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 operational spending and limiting its capital expenditures capital towards lower risk projects that meet its internal economic hurdles and are expected to offer 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, 2024:

<b>(in \$000s CAD)</b>	<b>CAD\$</b>	<b>AUS\$</b>	<b>US\$</b>	<b>Total</b>
Cash and cash equivalents	\$ 173	19	330	522
Accounts receivable	11	8	1,943	1,962
Trade and other payables	(310)	(2,848)	-	(3,158)
	<b>\$ (126)</b>	<b>\$ (2,821)</b>	<b>\$ 2,273</b>	<b>\$ (674)</b>

<b>Exchange rates as at</b>	<b>September 30, 2024</b>	<b>March 31, 2024</b>
Number of CAD for 1 AUD	<b>0.94</b>	0.88
Number of CAD for 1 USD	<b>1.35</b>	1.35

### 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. The Company had no commodity price derivatives at September 30, 2024 and March 31, 2024.

### 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's exposure to interest rate risk on its cash and cash equivalents at September 30, 2024 is restricted to investments with a maturity of three months or less. The Company had no interest rate derivatives at September 30, 2024 and March 31, 2024.

## 14. CAPITAL MANAGEMENT

The Company's policy is to maintain a sufficient capital base for the objectives of maintaining financial flexibility which will allow it to operate effectively and provide creditor and market confidence allowing for financing opportunities in support of future accretive capital projects.

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 project 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. As disclosed in Note 2 there can be no assurance that equity or debt financing will be available or sufficient to meet capital commitments, or for other corporate purposes, or if equity or debt financing is available, that it will be on terms acceptable to the Company.

## 15. SUPPLEMENTAL CASH FLOW INFORMATION

<b>(in \$000s)</b>	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Change in non-cash working capital items				
Accounts receivable	<b>358</b>	(531)	<b>(180)</b>	(727)
Prepays and deposits	<b>(24)</b>	35	<b>77</b>	125
Trade and other payables	<b>(73)</b>	(518)	<b>(20)</b>	(105)
Effect of change in foreign currency rates	<b>(4)</b>	3	<b>(6)</b>	33
	<b>\$ 257</b>	<b>\$ (1,011)</b>	<b>\$ (129)</b>	<b>\$ (674)</b>
<b>Attributed to:</b>				
Operating	<b>165</b>	(766)	<b>(329)</b>	(860)
Investing	<b>92</b>	(245)	<b>200</b>	186
	<b>\$ 257</b>	<b>\$ (1,011)</b>	<b>\$ (129)</b>	<b>\$ (674)</b>

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

Cash interest paid and received (\$000s)	Three months ended September 30		Six months ended September 30,	
	2024	2023	2024	2023
Cash interest paid	1	3	6	8
Cash interest received	-	-	-	-

## 16. COMMITMENTS

At September 30, 2024, the contractual obligations for which the Company is responsible are as follows:

Contractual obligations (000s)	Total	Less than			
		1 year	1-3 years	4-5 years	After 5 years
Office lease	56	23	33	-	-
Decommissioning and restoration	3,728	-	823	-	2,905
	3,784	23	856	-	2,905

The Queensland Government regulatory authority granted the Company Authority to Prospect 934 ("ATP 934") under a revised work program on March 1, 2015. The Company consolidated its ownership of ATP 934, resulting in a 100% and 40% operating interest in the northern and southern block of this permit respectively in 2018. The work program consists of 260 km<sup>2</sup> of 3D seismic and up to three wells. In February 2023, the Company extended its ATP 732 permit and received a Potential Commercial Area ("PCA") over 343 km<sup>2</sup>. This included additional work commitments related to both ATP 732 and PCA 332 as outlined below.

At September 30, 2024, the Company had the following capital work commitments:

Permit	Work Program	Obligation period ending	Estimated expenditure (net) (millions CA\$) <sup>(1)</sup>
ATP 934 – Onshore Australia	260 km <sup>2</sup> 3D seismic and up to three wells	February 2027	8.3
ATP 732 – Onshore Australia	Geological and up to three wells	February 2029	7.1
PCA 332 – Onshore Australia	Initial Production testing	February 2029	4.1
PCA 332 – Onshore Australia	Extended Production testing	February 2035	2.4

(1) Translated at September 30, 2024 at an exchange rate of AUS\$1.00 = CAD\$0.9358.

## 17. SEGMENTED INFORMATION

As at September 30, 2024, 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)	Australia	Corporate	Total
<b>Six months ended September 30, 2024</b>			
Revenue	3,154	-	3,154
Interest expense	6	-	6
Depletion and depreciation	658	1	659
Net (loss)	(424)	(394)	(818)
Exploration and evaluation expenditures	14	-	14
Property, plant and equipment expenditures	44	-	44

<b>(\$000s)</b>			
<b>Six months ended September 30, 2023</b>	<b>Australia</b>	<b>Corporate</b>	<b>Total</b>
Revenue	3,609	-	3,609
Interest expense	6	1	7
Depletion and depreciation	569	16	585
Net (loss)	(126)	(451)	(577)
Exploration and evaluation expenditures	41	-	41
Property, plant and equipment expenditures	286	-	286

<b>(\$000s)</b>			
<b>Three months ended September 30, 2024</b>	<b>Australia</b>	<b>Corporate</b>	<b>Total</b>
Revenue	1,252	-	1,252
Interest expense	2	-	2
Depletion and depreciation	280	-	280
Net (loss)	(437)	(171)	(608)
Exploration and evaluation expenditures	-	-	-
Property, plant and equipment expenditures	9	-	9

<b>(\$000s)</b>			
<b>Three months ended September 30, 2023</b>	<b>Australia</b>	<b>Corporate</b>	<b>Total</b>
Revenue	1,937	-	1,937
Interest expense	2	(11)	9
Depletion and depreciation	276	8	284
Net (loss)	(12)	(201)	(213)
Exploration and evaluation expenditures	1	-	1
Property, plant and equipment expenditures	113	-	113

<b>(\$000s)</b>			
<b>As at September 30, 2024</b>	<b>Australia</b>	<b>Corporate</b>	<b>Total</b>
Exploration and evaluation assets	12,745	-	12,745
Property, plant and equipment	19,431	8	19,439
Total assets	35,283	211	35,494
Total liabilities	6,616	310	6,926

<b>(\$000s)</b>			
<b>As at March 31, 2024</b>	<b>Australia</b>	<b>Corporate</b>	<b>Total</b>
Exploration and evaluation assets	11,993	-	11,993
Property, plant and equipment	18,982	9	18,991
Total assets	34,106	255	34,361
Total liabilities	6,358	297	6,655

## **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  
Dr. Brian J. Moss  
Barry Herring  
W. B. (Bill) Wheeler  
R. Neal Grant

### **DISCLOSURE COMMITTEE**

Chayan Chakrabarty  
Jerrad Blanchard

### **AUDIT COMMITTEE**

Barry Herring (Chairman)  
W. B. (Bill) Wheeler  
R. Neal Grant

### **RESERVES COMMITTEE**

Dr. Brian J. Moss (Chairman)  
Barry Herring  
R. Neal Grant

### **COMPENSATION COMMITTEE**

Dr. Brian J. Moss (Chairman)  
Barry Herring  
R. Neal Grant

### **GOVERNANCE AND NOMINATING COMMITTEE**

W.B. (Bill) Wheeler (Chairman)  
Dr. Brian J. Moss  
Barry Herring

### **HEALTH, SAFETY AND ENVIRONMENT COMMITTEE**

R. Neal Grant (Chairman)  
W. B. (Bill) Wheeler  
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

### **STOCK EXCHANGE LISTING – TSX: BNG**