



International exploration & production

**Management's Discussion & Analysis**  
**Three months and Year ended**  
**March 31, 2025 and 2024**

# BENGAL ENERGY LTD.

The following Management's Discussion and Analysis ("MD&A") of the consolidated financial results of Bengal Energy Ltd. ("Bengal" or the "Company") is at and for the three months and year ended March 31, 2025 and March 31, 2024. This MD&A dated June 30, 2025, should be read in conjunction with the Company's consolidated financial statements and related notes for the year ended March 31, 2025. The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The functional currency of the Company's operating subsidiary, Bengal Energy (Australia) Pty Ltd. ("Bengal Australia"), is the Australian dollar; the functional currency of the Company is the Canadian dollar ("CAD"). The Company's presentation currency is the CAD. In this MD&A, all dollar amounts are expressed in CAD unless otherwise noted.

This MD&A contains non-IFRS measures, abbreviations and forward-looking information relating to future events and the Company's future performance. Please refer to "*Non-IFRS Measurements*", "*Abbreviations*" and "*Advisories*" sections at the end of this MD&A for further information. Additional information relating to Bengal, including Bengal's audited March 31, 2025, consolidated financial statements and other filings are available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). In the following discussion, the three months ended March 31, 2025, may be referred to as "fourth quarter of fiscal 2025", "Q4 fiscal 2025", "current quarter", and "the quarter". The comparative three months ended March 31, 2024, may be referred to as "fourth quarter of fiscal 2024", "Q4 fiscal 2024" and "prior year's quarter". The year ended March 31, 2025, may be referred to as "fiscal 2025", "current year", and "the year". The comparative year ended March 31, 2024, may be referred to as "the previous year", "prior year", and "fiscal 2024".

## FOURTH QUARTER FISCAL 2025 SUMMARY

### Financial summary:

- **Reserves** – Bengal's independently evaluated Proved Plus Probable ("2P") Reserves for the fiscal year ended March 31, 2025, are 1,817 thousand barrels of oil ("Mbbbls") compared to 1,857 Mbbbls at March 31, 2024. 1P Reserves are 845 Mbbbls compared to 872 Mbbbls at March 31, 2024. The Company is committed to future drilling activities at the Cuisinier field and recognizes the accretive upside to further development. Any future activity will be subject to the completion of a field development plan incorporating the results of Cuisinier water-injection program and equity or debt financing. The remaining future development capital is subject to both internal approval and availability of capital. The net present value (NPV<sup>1</sup><sub>10</sub>, before tax) of Bengal's 2P Reserves, net of future development costs, at March 31, 2025 is \$42.6 million, or \$0.09 per share compared to \$42.1 million or \$0.09 per share at March 31, 2024.
- **Sales revenue** – Crude oil sales revenue was \$1.0 million in the fourth quarter of fiscal 2025, 46% lower than \$1.8 million in Q4 fiscal 2024. Oil lifted was consistent between Q4 fiscal 2025 and Q4 fiscal 2024; however, pipeline oil change between the two fiscal quarters and the 30% lower realized price contributed to the change as discussed further in the Revenue/Pricing section below. Production was 126 barrels of oil per day ("bopd") in Q4 fiscal 2025, 22% lower than 162 bopd in Q4 fiscal 2024.
- **Funds from operations**<sup>2</sup> – Funds used in operations was \$502 thousand during the fourth quarter of fiscal 2025 compared to funds from operations of \$329 thousand in Q4 fiscal 2024. The decrease was mainly due to lower sales revenues.
- **Net loss** – Bengal reported a net loss of \$3.0 million in the fourth quarter of fiscal 2025 compared to net loss of \$11.6 million in the fourth quarter of fiscal 2024, attributed to the impairment of \$11.6 million on property and equipment recognized in the fourth quarter of fiscal 2024 compared to an impairment of \$2.5 million on exploration and evaluation asset recognized in the fourth quarter of fiscal 2025.

---

<sup>1</sup> See "Abbreviations" on page 13 of this MD&A.

<sup>2</sup> See "Non-IFRS and Other Financial Measures" on page 13 of this MD&A.

### **Operational summary:**

- **Production volumes** – The Company’s share of total Cuisinier production in the current quarter was 11,323 bbls (126 bopd decrease of 23% compared to production of 14,713 bbls (162 bopd) in the fourth quarter of fiscal 2024. The decrease in production was due to downhole issues in four Cuisinier wells deferring 35 bopd of production during downtime. Workover activities in Q1 fiscal 2026 have restored production at three of the four wells thus far. Incremental production from the workover activity is expected during May and June. The Company continues to investigate the material change in production allocation provided by the Cuisinier operator.

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

### **Business Overview**

Bengal’s producing and non-producing assets are situated in Australia’s Cooper Basin, a region featuring large accumulations of very light and high-quality crude oil and natural gas. The Company’s core Australian assets, Petroleum Lease (“PL”) 303 Cuisinier, Authority to Prospect (“ATP”) 934 Barrolka, Potential Commercial Area (“PCA”) 332 (formerly ATP 732) Tookoonooka, and four petroleum licenses are situated within an area of the Cooper Basin that is well served with production infrastructure and take-away capacity for produced crude oil and natural gas. Still in early stages in terms of appraisal and development, Bengal believes these assets offer attractive upside potential for both oil and gas. Australia presents a stable political, fiscal, and economic environment in which to operate, and a favourable royalty regime for oil and gas production. In addition, Bengal owns a 26km 6” high pressure gas pipeline (PPL 138) connecting the Wareena field to a large raw gas network passing Bengal’s prospects at ATP 934.

Under the State of Queensland Regulatory process, ATPs are granted by the State generally for a period of twelve years with one-third of the original grant area expiring every four years. At the end of the final term of the ATP, an application can be made to continue a portion of the permit in the form of a Potential Commercial Area (“PCA”). PCAs have a life span of five to fifteen years. PCA applications include a commercial viability report that indicates that the area is likely to be commercially viable within the applied term. This allows for extra time to commercialize any identified Resource. These PCAs remain a part of the ATP until expiry. If a discovery of oil or gas is made, an application for a PL is made to allow for production. PLs are granted for up to a thirty-year term.

Bengal has a 30.375% interest in two PLs on the former ATP 752 Barta block, PL 303 and PL 1028. In addition, the Company has three PCAs associated with ATP 752 which are the Barta block, PCA 206 and PCA 207 and PCA 155 in the Wompi block which contains the Nubba well. Bengal also holds a 100% working interest in four PLs including PPL 138 adjacent to the 100% owned ATP 934.

Following extensive public consultation, in late December 2023 the Queensland government released a document outlining its plans for increased restrictions to petroleum activities within the rivers and floodplains area of the Lake Eyre Basin (LEB) catchment. Bengal Energy areas affected by this are the western portion of the Durham Downs block (ATP 934) where Bengal holds a 40% interest and PCA 115 (Nubba)(ATP 752 Wompi) in which Bengal holds a 38% interest. Of these permits, work can continue to develop gas resources under an existing petroleum lease. No additional PL’s have been acquired by Bengal since the new Queensland Legislation came into effect.

In the Wompi portion of the Bengal ATP 752 permit (Bengal 38.5% WI) the discovered volumes of natural gas in the Nubba well are deemed too small for commerciality, and Bengal and partners will move to relinquish this block. In the western portion of ATP 934 in the Durham Downs East block (Bengal 40% W.I.) which is the part of ATP 934 which was farmed out, the operator is expected to withdraw from the permit subject to the terms of the Joint Operating Agreement (JOA) leaving Bengal with 100% interest. Bengal anticipates relinquishing this interest and is working with the regulator to secure favourable relinquishment terms. Neither of these assets have any carrying value in the Company’s financial statements. Bengal prospects within Barrolka East (ATP 934 – 100% WI), Ghina (PL 1109 – 100% WI), Wareena (PL 1110 - 100% WI), Ramses PL 411, Karnak PL 188 and Tookoonooka (PCA 332 – 100% WI) are unaffected.

### **AUSTRALIA – Cooper Basin, Queensland**

#### **PL 303 Barta Block Cuisinier (controlling permit ATP 752) (30.357% WI)**

The Company continues to evaluate the results of its water injection program at Cuisinier. The injection of produced formation water has resulted in both increased production in up to four offsetting wells and reduced water handling charges. Whilst the JV has observed compelling evidence that the overall field decline has been temporarily arrested with a modest upward trend in oil production during periods of operation, the water injection program has suffered from extended shut-in periods due to equipment failure and lack of available replacement parts. The program was intermittently operational during fiscal 2025; however, its impact to the joint venture is not currently measurable given unexplained changes to the Operator's allocation methodology. Bengal continues to challenge the Operator on this performance shortfall; however, despite reservoir response, it is expected that the operator will permanently suspend the pilot due to ongoing mechanical failures. Based on the results of the pilot, despite mechanical failures, the operator is evaluating suitable locations to implement a waterflood in the main part of the reservoir. Bengal is strongly encouraging the operator to focus its development activities on pressure maintenance in the reservoir before considering new drilling activity.

#### **PL 114 Wareena, PL 157 Ghina, PL 188 Ramses, PL 411 Karnak, PPL 138 pipeline (100% WI)**

The Company has a 100% working interest in four PLs and a natural gas pipeline connected to transportation infrastructure into the Eastern Australia Gas Market. These non-productive PLs are highly compatible and near ATP 934. Bengal continues to integrate subsurface data from the PLs to enhance the Company's understanding of ATP 934 and to finalize the selection of exploration and appraisal drilling locations.

Included in this program are: two potential recompletions at Ramses; the Wareena 5 well; the Ghina recompilation; and the redrill or sidetracking opportunity at the Karnak well. The reinstatement of the existing gas pipeline will support the production of raw gas into existing infrastructure. The Company completed workover activities at Wareena 1 and Wareena 5 in November 2022. Initial test results indicate Wareena 1 would require additional stimulation and dewatering to yield commercial production rates. The Company is encouraged by wellhead pressure measured at Wareena 5 and believes that additional testing is justified upon the availability of financing and field equipment.

The 100% ownership of these assets presents an appraisal and development opportunity that will be operated by the Company and is seen as a steppingstone for Bengal's natural gas platform upon which future development and appraisal work at the existing PLs and exploration growth through ATP 934 can be undertaken.

#### **PCA 332 Tookoonooka (100% WI; formerly ATP 732)**

Bengal conducted an acid treatment in 2022 on the Caracal-1 well to improve well bore inflow with positive results and moderate inflow of very light 53-degree gravity oil from the Wyandra zone. While not immediately commercially viable, these results are being evaluated with the possibility of fracture stimulation being considered to further enhance productivity being put in place. The well is currently suspended with shut-in pressure data being monitored.

ATP 732 reached the end of its term in March of 2023, and the Company lodged an application over the northern portion of the ATP for continuation in the form of PCA 332 for a further 15 years. Based on the positive results from Caracal-1, the application was approved on January 30, 2023. The PCA, granted by the Queensland Government in record time, provides much-needed certainty for Bengal to focus on its hydrocarbon projects in the Talgeberry-Tintaburra corridor. The majority of PCA 332 is covered by 3D seismic which has outlined the prospective targets as described in the Company's press release: "Bengal Energy Announces Independent Oil and Natural Gas Resource Report" dated March 30, 2022. The Company announced the completion of its Field Resource Maturation and Development Plan for its Tookoonooka PCA332 on March 14, 2024.

#### **ATP 934 Barrolka East (100% WI)**

ATP 934 is the Company's 100% owned natural gas exploration block. Bengal received approval of a special amendment for ATP 934 in March 2021 which relinquished 50% of the existing ATP area and extended the term of the ATP by entering an outcome based on the Later Work Permit ("LWP") for another 6 years to February 28, 2027. As part of the special amendment, another relinquishment of 118 sub blocks (50% of the remaining sub blocks) (88,972 acres) was required by February 28, 2023. The relinquishment was made and accepted by the regulator during April of 2023. The relinquished area was not considered to be prospective by the Company due to the lack of identified prospects and limited physical access. The current LWP includes the drilling of up to two wells and acquisition of 260 km<sup>2</sup> of 3D seismic. The Company has proposed a further swap of non-prospective land in the Durham Downs portion of this ATP in consideration for a reduction in the outcome-based LWP and a potential further extension.

#### **AC/RL 10 Katandra (100% WI)**

The Katandra permit is in the offshore Ashmore-Cartier region of the Timor Sea and holds the Katandra 1 oil discovery and the up-dip, Katandra North opportunity. The opportunity is hosted in the prolific Berriasian sandstones of the Upper Vulcan Formation. Bengal, despite significant efforts to secure a farm-in partner for this permit, was unable to secure one with the appropriate expertise and financial capacity within prescribed timelines, and thus, on May 2, 2025, Bengal submitted a notification of withdrawal in relation to its renewal application of the retention lease. This was accepted by the Australian Government on May 6, 2025. Given there these assets had nil carrying value, there was no financial statement impact from this relinquishment.

## Business development

From time to time Bengal is in ongoing has discussions regarding potential farm-out opportunities surrounding its exploration and development portfolio. as well as other corporate initiatives aimed at increasing shareholder value. The Company is unable to estimate the chance of success of these discussions. se

## OPERATING SUMMARY

(\$000s except per share, %, volumes and operating netback <sup>(1)</sup> amounts)	Three months ended		Year ended	
	2025	March 31, 2024	2025	March 31, 2024
Oil sales (\$)	973	1,815	5,558	7,033
Operating netback <sup>(1)</sup> (\$)	109	993	2,327	3,377
Cashflow (used in) operating activities	(270)	(287)	(392)	(273)
Funds (used in) from operations <sup>(1)</sup> (\$)	(502)	329	(570)	301
-Per share (\$) (basic and diluted)	(0.00)	(0.00)	(0.01)	(0.00)
Net loss	(2,993)	(11,647)	(4,181)	(12,728)
-Per share (\$) (basic and diluted)	(0.01)	(0.02)	(0.01)	(0.03)
Capital expenditures (\$)	-	75	70	474
Oil production (bbl/d)	126	162	138	172
Operating netback <sup>(1)</sup> (\$/bbl)	9.62	67.49	46.35	53.64

(1) Non-IFRS and Other Financial Measures.

## RESULTS OF OPERATIONS

Production	Three months ended		Year ended	
	2025	March 31, 2024	2025	March 31, 2024
Oil production (bbl)	11,323	14,713	50,206	62,959
Oil production (bbl/d)	126	162	138	172

The Company's share of total Cuisinier production in the current quarter was 11,323 bbls (126 bopd decrease of 23% compared to production of 14,713 bbls (162 bopd) in the fourth quarter of fiscal 2024. The decrease in production was due to downhole issues in four Cuisinier wells deferring 35 bopd of production during downtime. Workover activities in Q1 fiscal 2026 have restored production at three of the four wells thus far. Incremental production from the workover activity is expected during May and June. The Company continues to investigate the material change in production allocation provided by the Cuisinier operator.

## Revenue/Pricing

The following table outlines the oil lifting from bills of lading, pipeline oil estimates, applicable prices and oil sales reflected in the Company's financial statements:

	Three months ended		Year ended	
	2025	March 31, 2024	2025	March 31, 2024
<b>Oil lifting</b>				
Volume (000s bbls)	10.5	10.1	46.2	61.1
Weighted average price (USD/bbl)	79.95	91.75	82.87	82.77
Sales CAD\$	A 1,177	1,269	5,421	6,844
<b>Pipeline oil</b>				
Volume – change (000s bbls)	0.8	4.6	4.0	1.9

Price – change (USD/bbl)		<b>(15.32)</b>	2.83	<b>(14.64)</b>	(2.58)
Net sales – change CAD\$	<b>B</b>	<b>(204)</b>	546	<b>137</b>	189
<b>Total oil sales CAD\$</b>	<b>A+B</b>	<b>973</b>	1,815	<b>5,558</b>	7,033

The price received for Bengal's Australian oil sales is benchmarked on US Brent for the month in which the bill of lading occurs, plus a realized premium due to oil quality differences. Pipeline oil is the term used to describe oil moving along the pipeline from the wellhead to the port which has been legally transferred to the buyer but not priced and waiting to be sold. Lifting occurs when the oil is moved from the port to the ship. The Cuisinier Joint Venture has recently negotiated a revised COPSA with corresponding transportation agreements effective January 1, 2025, through to December 31, 2025.

Realized oil price of CAD\$85.93 for the three months ended March 31, 2025, 30% lower compared to \$123.36/bbl for the three months ended March 31, 2024. Brent reference price between the two fiscal quarters was 9% lower. Physical accrued oil sales were weighted towards February and March 2025 during which benchmark crude prices experienced a material decrease.

The three months ended March 31, 2025, was further reduced by 204 thousand due to the lower pipeline oil price of US\$67.54/bbl compared to the opening pipeline oil which had a price of US\$82.86/bbl.

Oil sales were \$1.0 million in the quarter ended March 31, 2025, compared to \$1.8 million in the quarter ended March 31, 2024. Factors include the 30% decline in oil price as well as production decreased by 23% from 162 bbl/d in Q4 fiscal 2024 to 126 bbl/d in Q4 fiscal 2025.

Oil sales were \$5.6 million for the year ended March 31, 2025; a 21% decrease compared to \$7.0 million in the year ended March 31, 2024. This correlates with the 20% decrease in production between the two fiscal period, with realized oil price average of \$111/bbl across the two fiscal years.

The following table outlines average benchmark prices:

	Three months ended		Year ended	
	2025	March 31, 2024	2025	March 31, 2024
Brent oil (\$/bbl)	<b>108.81</b>	113.80	<b>109.57</b>	112.29
Brent oil (USD/bbl)	<b>75.81</b>	83.00	<b>78.73</b>	82.93
Number of CAD\$ for 1 USD	<b>1.44</b>	1.37	<b>1.39</b>	1.35
Number of CAD\$ for 1 AUD	<b>0.90</b>	0.89	<b>0.91</b>	0.89

The following table outlines operating netback:

Operating netback <sup>(1)</sup>	Three months ended		Year ended	
	2025	March 31, 2024	2025	March 31, 2024
(\$000s and \$/bbl)				
Oil sales	<b>973</b>	1,815	<b>5,558</b>	7,033
Royalties	<b>(89)</b>	(133)	<b>(438)</b>	(552)
Operating expense	<b>(775)</b>	(689)	<b>(2,793)</b>	(3,104)
Operating netback	<b>109</b>	993	<b>2,327</b>	3,377
Oil sales (\$/bbl)	<b>85.93</b>	123.36	<b>110.70</b>	111.71
Royalties (\$/bbl)	<b>(7.86)</b>	(9.04)	<b>(8.72)</b>	(8.77)
Operating expense (\$/bbl)	<b>(68.45)</b>	(46.83)	<b>(55.63)</b>	(49.30)
Operating netback (\$/bbl)	<b>9.62</b>	67.49	<b>46.35</b>	53.64

<sup>(1)</sup> See Non-IFRS and Other Financial Measures.

Operating netback was \$9.62/bbl for Q4 fiscal 2025, 86% lower than Q4 fiscal 2024 of \$67.49/bbl. The decrease in operating netback was driven primarily by lower realized oil price of \$85.93/bbl compared to \$123.36/bbl, a decrease of 30%, as well as the higher operating expense on a per barrel basis, which was negatively impacted by 22% decrease in production and workover costs during the quarter.

Operating netback for the year ended March 31, 2025, was \$46.35/bbl compared to the year ended March 31, 2024, of \$53.64/bbl, a decrease of 15%, with lower volumes and higher operating expense contributing to majority of the per barrel change.

Royalties	Three months ended	Year ended
	March 31,	March 31,

	2025		2024	
Royalty expense	<b>89</b>	133	<b>438</b>	552
\$/bbl	<b>\$ 7.86</b>	\$ 9.04	<b>\$ 8.72</b>	\$ 8.77
% of revenue	<b>9.1%</b>	7.3%	<b>7.9%</b>	7.8%

In Queensland Australia, oil royalties are based on a government-established rate net of eligible expenditures which scales according to benchmark oil prices plus a Native Title royalty of 1%.

Royalties of \$0.1 million were consistent between the three months ended March 31, 2025, and March 31, 2024. Royalties as a % of revenue was higher at 9.1% compared to the three months ended March 31, 2024, due the lower sales in the current quarter due to changes in the pricing of pipeline oil. On an annual basis, royalty rate is expected to be 7% to 9% for the remainder of fiscal 2025.

### Operating Expense

Operating Expense (\$000s and \$/bbl)	Three months ended March 31,		Year ended March 31,	
	2025	2024	2025	2024
Production	<b>382</b>	240	<b>1,034</b>	1,040
Transportation	<b>393</b>	449	<b>1,759</b>	2,064
	<b>775</b>	689	<b>2,793</b>	3,104
Production (\$/bbl)	<b>33.74</b>	16.31	<b>20.60</b>	16.52
Transportation (\$/bbl)	<b>34.71</b>	30.52	<b>35.04</b>	32.78
	<b>68.45</b>	46.83	<b>55.64</b>	49.30

Total operating expense during Q4 fiscal 2025 was \$0.8 million compared to \$0.7 million in Q4 fiscal 2024, in spite of decreased production. Operating expenses in Q4 F2025 included \$0.2 million related to work-over activities to restore production at four suspended wells. The impact of these activities will be realized through expected increased production commencing in May and June 2025.

The operating expense for the year ended March 31, 2025, was \$2.8 million, 10% lower than the year ended March 31, 2024, of \$3.1 million. Operating expense per barrel in these two fiscal periods was 13% higher from \$49.30 to \$55.63, stemming from the 20% lower volumes.

### General and Administrative (G&A) Expense

G&A	Three months ended March 31,		Year ended March 31,	
	2025	2024	2025	2024
Net G&A expense	<b>546</b>	679	<b>2,709</b>	3,034
Capitalized G&A	-	48	<b>19</b>	186
Total G&A expense	<b>546</b>	727	<b>2,728</b>	3,220

Net G&A expense for the three months ended March 31, 2025, was \$0.5 million, \$0.2 million lower than the three months ended March 31, 2024. For the year ended March 31, 2025, G&A expense was \$2.7 million, 15% lower than \$3.2 million for the year ended March 31, 2024. This was to lower activity levels and reduced staffing levels.

### Share-based Compensation ("SBC")

SBC	Three months ended March 31,		Year ended March 31,	
	2025	2024	2025	2024
Expensed SBC	<b>5</b>	6	<b>14</b>	29
Capitalized SBC	-	3	<b>4</b>	4
	<b>5</b>	9	<b>18</b>	33

The Company uses the Black-Scholes pricing model to estimate the fair value of options on the date of grant and amortizes the estimated expense over the vesting period with a corresponding charge to contributed surplus. Options expire five years from the grant date. There were 750,000 options issued during the third quarter of fiscal 2025 with a value of \$0.01 per share and a total of 1,500,000 options issued during the year ended March 31, 2025. Share-based compensation for Q4 fiscal 2025 includes only the value of newly granted options in fiscal

2025 as the value of previous grants has been fully recognized in previous periods.

The Company uses the Black-Scholes pricing model to estimate the fair value of options on the date of grant and amortizes the estimated expense over the vesting period with a corresponding charge to contributed surplus. Options expire five years from the grant date.

### Depletion and Depreciation (DD&A)

DD&A	Three months ended		Year ended	
	2025	March 31, 2024	2025	March 31, 2024
Petroleum and natural gas properties	(53)	347	879	1,215
Other assets	-	1	2	3
Right-of-use assets	-	-	-	22
DD&A	(53)	348	881	1,240
DD&A (\$/bbl)	(4.68)	23.65	17.55	19.70

Depletion expense in the current fiscal quarter March 31, 2025, included a true up for annual depletion relating to the future development costs associated with its undeveloped proved reserves that form part of the depletable base. This resulted in a Q4 F2025 reduction in depletion of \$0.3 million. The decrease in future development cost also resulted in a decrease in per barrel depletion when compared to fiscal 2024.

### Impairment

As at March 31, 2025, the Company performed an assessment of its E&E assets in accordance with IFRS 6, Exploration for and Evaluation of Mineral Resources, to determine whether indicators of impairment existed. Management identified indicators of impairment related to its non-core tenure at ATP 752, primarily due to the absence of budgeted or planned substantive expenditure for further exploration and evaluation activities in the specific area, as well as the prioritization of the Company's 100% owned exploration assets, as outlined in the Company's internal assessment.

As a result of these indicators, an impairment test was conducted in accordance with IAS 36, Impairment of Assets. The recoverable amount of the ATP 752 E&E assets was determined to be lower than their carrying amount, resulting in an impairment charge of \$2.5 million recognized in the consolidated statement of income (loss) for the three months ended March 31, 2025. The impairment charge reflects management's current assessment of the prospectivity and future capital plans for these assets.

### Finance Expense

Finance Expense	Three months ended		Year ended	
	2025	March 31, 2024	2025	March 31, 2024
Accretion expense on decommissioning and restoration liability	39	45	152	178
Interest expense	24	10	117	17
	63	55	269	195

Accretion expense on decommissioning and restoration liabilities was consistent between the three months and year end March 31, 2025, and March 31, 2024. Interest expense for three months ended March 31, 2025, stemmed from the Joint Venture payment plan with a carrying value of \$2.2 million entered into in October 2024 and interest rate of 8%.

### CAPITAL EXPENDITURES

Capital expenditures	Three months ended	Year ended
----------------------	--------------------	------------

	<b>2025</b>	<b>March 31, 2024</b>	<b>2025</b>	<b>March 31, 2024</b>
Geological, geophysical and workovers	-	75	-	474
Exploration and evaluation expenditures	-	25	<b>14</b>	77
Development and production expenditures	-	50	<b>56</b>	397
	-	75	<b>70</b>	474

Development and production expenditures were minimal in the three and twelve months ended March 31, 2025, as the Company is looking to obtain additional financing and joint venture partners for capital development.

## SHARE CAPITAL

Trading history	Three months ended		Year ended	
	<b>2025</b>	<b>March 31, 2024</b>	<b>2025</b>	<b>March 31, 2024</b>
High (\$/share)	<b>0.01</b>	0.04	<b>0.04</b>	0.08
Low (\$/share)	<b>0.01</b>	0.02	<b>0.01</b>	0.02
Close (\$/share)	<b>0.01</b>	0.02	<b>0.01</b>	0.02
Average Daily Volume	<b>2,720</b>	8,453	<b>19,266</b>	15,512
Weighted average shares outstanding (000s)				
Basic	<b>485,304</b>	485,304	<b>485,304</b>	485,304
Diluted	<b>485,304</b>	485,304	<b>485,304</b>	485,304

At June 30, 2025, there were 485,304,215 common shares issued and outstanding, together with 9,570,000 outstanding options.

## LIQUIDITY RISK AND CAPITAL RESOURCES

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 Note Payable totalling \$3.4 million at March 31, 2025 (March 31, 2024 - \$3.2 million). At March 31, 2025, the Company had a positive working capital of \$1.6 million (March 31, 2024 - \$0.2 million), which the Company defines as total current assets less total current liabilities, excluding lease obligations and current portion of decommissioning obligations, and Note Payable.

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 22) and without future development could result in a decline in production and revenues with additional net cash used in operating activities. As outlined in note 2 of the consolidated financial statements, the Company has assessed that there is material uncertainty that may cast significant doubt about its ability to continue as a going concern.

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.

## OFF BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet transactions as at March 31, 2025.

## COMMITMENTS

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 March 31, 2025, the Company had the following capital work commitments:

Permit	Work Program	Obligation period ending	Estimated expenditure (net) (millions CAD\$( <sup>1</sup> ))
ATP 934 – Onshore Australia	260 km <sup>2</sup> 3D seismic and up to three wells	February 2027	8.0
ATP 732 – Onshore Australia	Geological and up to three wells	February 2029	6.8
PCA 332 – Onshore Australia	Initial Production testing	February 2029	3.9
PCA 332 – Onshore Australia	Extended Production testing	February 2035	2.3

(1) Translated at December 31, 2024 at an exchange rate of AUD\$1.00 = CAD\$0.8915.

The Company entered into a lease agreement for office space in October 2023 with a contract term ending in February 2027.

At March 31, 2025, 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	39	23	16	-	-
Note Payable	1,714	14	1,700	-	-
Decommissioning and restoration	3,105	-	721	-	2,384
	4,858	37	2,437	-	2,384

## SELECTED QUARTERLY INFORMATION

Fiscal quarter	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
(\$000s except per share, volumes and operating netback <sup>(1)</sup> )	2025	2024	2024	2024	2024	2023	2023	2023
	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Oil sales (\$)	973	1,431	1,252	1,902	1,815	1,609	1,937	1,672
Cashflow from (used in) operating activities (\$)	(270)	298	(129)	(291)	(287)	592	(643)	(102)
Funds from (used in) operations <sup>(1)</sup> (\$)	(502)	23	(294)	203	329	(143)	123	(8)
-Per share(\$)-basic and diluted	-	-	-	-	-	-	-	-
Net (loss) income	(2,993)	(370)	(608)	(210)	(11,647)	(504)	(213)	(364)
-Per share(\$)-basic and diluted	-	-	-	-	-	-	-	-
Capital expenditures (\$)	-	12	9	63	75	71	115	213
Working capital (deficit)	1,586	957	152	448	199	(53)	160	(491)
Total assets	30,635	33,558	35,494	35,326	34,361	47,987	46,793	48,419
Shares outstanding (000)	485,304	485,304	485,304	485,304	485,304	485,304	485,304	485,304
Operations:								
Oil production (bbl/d)	126	124	127	174	162	174	176	176
Operating netback <sup>(1)</sup> (\$/bbl)	9.62	61.83	42.84	64.08	67.49	36.97	59.48	51.68

(1) See Non-IFRS and Other Financial Measures on page 12 of this MD&A.

Production was consistent averaging 169 bbl/d until it reduced over the past three quarters in the Cuisinier oil field until Q2 F2025 when field allocations resulted in a 50 bbl/d decrease in production net to Bengal. Production

was impacted in Q2, Q3 and Q4 fiscal 2025 due to a combination of joint venture allocations that remain under dispute and downhole issues disrupting production at four wells. This decrease in production corresponded to decreases in revenue, funds from operations and income. Ongoing volatility in US Brent prices from Q3 fiscal 2023 to Q2 fiscal 2025 resulted in volatility in oil sales with the production declines impacting the current quarter as described above. Net income, cashflow and funds from operations were impacted primarily by production volumes. The impact of volatile commodity pricing and production decreases in the quarter impacted cash flow from operations. Working capital deficiency occurred during the fiscal Q4 2023 and fiscal Q1 2024 as a result of the Cuisinier joint venture royalty adjustment. Working capital at Q3 2025 improved due to Joint Venture payment plan obtained in October 2024. Net loss in Q4 2024 was impacted by an impairment expense of \$11.6 million recognized in its property plant and equipment balance. The operating netback in Q4 2025 was lower due to the oil price collapse in Q4 2025 and the 22% lower production volumes, which negatively impacted the per barrel basis of the operating expense, resulting in overall operating netback of \$9.62 per barrel. Net loss in Q4 2025 was impacted by an impairment expense of \$2.5 million recognized in its evaluation and exploration asset balance.

## **DISCLOSURE CONTROLS & PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)**

### **Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and includes controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure.

The Chief Executive Officer and Chief Financial Officer oversee this evaluation process and have concluded that the design and operation of these disclosure controls and procedures are not effective due to the material weaknesses identified in internal controls over financial reporting as noted below. The Chief Executive Officer and Chief Financial Officer have individually signed certifications to this effect.

### **Internal Controls over Financial Reporting**

The Chief Executive Officer and Chief Financial Officer of Bengal are responsible for designing and ensuring the operating effectiveness of internal controls over financial reporting ("ICFR") or causing them to be designed and operating effectively under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Bengal's certifying officers have assessed the design and operating effectiveness of internal controls over financial reporting and concluded that the Company's ICFR were effective at March 31, 2025, with the exception of the material weaknesses noted below.

No changes in internal controls over financial reporting were identified during the period that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

While Bengal's Chief Executive Officer and Chief Financial Officer believe the Company's internal controls and procedures provide a reasonable level of assurance that they are reliable, an internal control system cannot prevent all errors and fraud. It is management's belief that any control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

During the design and operating effectiveness assessment, certain material weaknesses in internal controls over financial reporting were identified, as follows:

- Management is aware that there is a lack of segregation of duties due to the small number of employees dealing with general and administrative and financial matters. However, management believes that at this time the potential benefits of adding employees to clearly segregate duties do not justify the costs; and
- Bengal does not have full-time in-house personnel to address all complex and non-routine financial accounting issues and tax matters that may arise. It is not deemed as economically feasible at this time to have such personnel. Bengal relies on external experts for review and advice on complex financial accounting issues.

These material weaknesses in internal controls over financial reporting result in a reasonable possibility that a material misstatement will not be prevented or detected on a timely basis. Management and the Board of Directors work to mitigate the risk of material misstatement; however, management and the Board of Directors do not have reasonable assurance that this risk can be reduced to a remote likelihood of a material misstatement.

## APPLICATION OF CRITICAL ACCOUNTING ESTIMATES

The timely preparation of the financial statements requires management to make judgements, 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, which are reviewed on an ongoing basis.

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 discussion of the Company's critical judgments and accounting estimates is included in its fiscal 2025 consolidated financial statements dated June 30, 2025.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the previous fiscal year as described in Note 3 of the Company's consolidated financial statements for the year ended March 31, 2025.

## NON-IFRS AND OTHER FINANCIAL MEASURES

### Non-IFRS Financial Measures

Within this MD&A, references are made to terms commonly used in the oil and gas industry. Operating netback, operating netback per barrel, funds from (used in) operations, funds from (used in) operations per share, do not have any standardized meaning under IFRS and are referred to as non-IFRS measures. Management believes the presentation of the non-IFRS measures above provide useful information to investors and shareholders as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis.

### *Operating Netback*

Bengal utilizes operating netback as key performance indicator and is utilized by Bengal to better analyze the operating performance of its petroleum and natural gas assets against prior periods. Operating netback is calculated oil sales deducting royalties and operating expenses. The following table reconciles petroleum and natural gas revenue to operating netback:

Operating netback (\$000s)	Three months ended March 31,		Year ended March 31,	
	2025	2024	2025	2024
Oil sales	973	1,815	5,558	7,033
Royalties	(89)	(133)	(438)	(552)
Operating expense	(775)	(689)	(2,793)	(3,104)
<b>Operating netback</b>	<b>109</b>	<b>993</b>	<b>2,327</b>	<b>3,377</b>

### *Funds from (used in) operations*

Management utilized funds from (used in) operations as a measure to assess the Company's ability to generate cash not subject to short-term movements in non-cash operating working capital. Funds from (used in) operations is calculated by adding back all non-cash expense deductions to the net loss for the period ended. The following table reconciles cash from operating activities to funds from operations, which is used in this MD&A:

Funds from (used in) operations (\$000s)	Three months ended March 31,		Year ended March 31,	
	2025	2024	2025	2024
Cash flow (used in) operating activities	(270)	(287)	(392)	(273)
Add back (deduct):				
Changes in non-cash working capital	(232)	616	(178)	574

Funds (used in) from operations	(502)	329	(570)	301
---------------------------------	-------	-----	-------	-----

## CAPITAL MANAGEMENT MEASURES

### Working capital

Bengal uses working capital to monitor its capital structure, liquidity and its ability to fund current operations. Working capital is calculated as current assets less current liabilities but excludes other obligations and current portion of decommissioning obligations.

## NON-IFRS FINANCIAL RATIOS

Bengal uses operating netback per boe to assess the Company's operating performance on a per unit of production basis. Operating netback per barrel equals operating netback divided by the applicable number of barrels of production.

Operating netback (\$/bbl)	Three months ended March 31		Year ended March 31	
	2025	2024	2025	2024
Oil sales	85.93	123.36	110.70	111.71
Royalties	(7.86)	(9.04)	(8.72)	(8.77)
Operating expense	(68.45)	(46.83)	(55.63)	(49.30)
Operating netback	9.62	67.49	46.35	53.64

Bengal uses funds from operations per share to assess the ability of the Company to generate the funds necessary for financing, operating, and capital activities on a per-share basis. This is a non-IFRS measure calculated by dividing funds from operations by weighted average basic and diluted shares outstanding for the periods disclosed.

## ABBREVIATIONS

The following abbreviations used in this MD&A have the meanings set forth below:

bbl	-	barrel
bbl/d	-	barrels per day
\$/bbl	-	dollars per barrel
ft <sup>3</sup>	-	cubic feet
boe/d	-	barrels of oil equivalent per day
FY	-	fiscal year
K	-	thousand
km	-	kilometres
km <sup>2</sup>	-	square kilometres
Q1	-	three months ended June 30
Q2	-	three months ended September 30
Q3	-	three months ended December 31
Q4	-	three months ended March 31
WI	-	working interest
COSPA	-	crude oil sales and purchase agreement
BBSW	-	bank bill swap rate

## RISK FACTORS

There are a number of risk factors facing companies that participate in the oil and gas industry. A complete list of risk factors is provided in Bengal's Annual Information Form dated July 2, 2024, filed on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

Companies engaged in the oil and gas industry are exposed to a number of business risks, which can be described as operational, financial and political risks, many of which are outside of the Company's control. More specifically, these include risks of economically finding Reserves and producing oil and gas in commercial quantities, marketing the production, commodity prices, environmental and safety risks, and risks associated with the foreign jurisdiction in which the Company operates. In order to mitigate these risks, the Company has an experienced base of qualified technical and financial personnel in Canada. Further, the Company has focused its foreign operations and plans to target future foreign operations in known and prospective hydrocarbon basins

in jurisdictions that have previously established long-term oil and gas ventures with foreign oil and gas companies.

Bengal monitors and updates its cash projection models on a regular basis, which assists in the timing decision of capital expenditures. Farm-outs of projects may be arranged if capital constraints are an issue or if the risk profile dictates that Bengal wishes to hold a lesser working interest position. Equity, if available and if on favorable terms, may be utilized to help fund Bengal's capital program.

An investment in the shares of the Company should be considered speculative due to the nature of the Company's involvement in the exploration for and the acquisition, development and production of oil and natural gas in foreign countries, and its current stage of development. An investor should consider carefully the risk factors set out in the annual information form and consider all other information contained herein and, in the Company's, other public filings before making an investment decision. Additional risks and uncertainties not currently known to the management of the Company may also have an adverse effect on Bengal's business and the information set out in the annual information form does not purport to be an exhaustive summary of the risks affecting Bengal.

### **Exploration, Development and Production Risks**

Oil and natural gas exploration involves a high degree of risk, for which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that expenditures made on future exploration by Bengal will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones, tools lost in the hole and changes in drilling plans and locations because of prior exploratory wells or additional seismic data and interpretations thereof.

The long-term commercial success of Bengal will depend on its ability to find, acquire, develop and commercially produce oil and natural gas Reserves. No assurance can be given that Bengal will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Bengal may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, cratering, sour gas releases, fires, and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity, and financial condition.

Bengal attempts to minimize exploration, development, and production risks by utilizing a high-end technical team with extensive experience and multidisciplinary skill sets to assure the highest probability of success in its drilling efforts. Bengal's collaboration of a team of seasoned veterans in the oil and gas business, each with a unique expertise in the various upstream to downstream technical disciplines of prospect generation to operations, provides the best assurance of competency, risk management and drilling success. A full cycle economic model is utilized to evaluate all hydrocarbon prospects. Detailed geological and geophysical techniques are regularly employed including 3D seismic, petrography, sedimentology, petrophysical log analysis and regional geological evaluation.

### **Risks Associated with Foreign Operations**

International operations are subject to political, economic and other uncertainties, including, among others, risk

of war, risk of terrorist activities, border disputes, expropriation, renegotiations or modification of existing contracts, restrictions on repatriation of funds, import, export and transportation regulations and tariffs, taxation policies, including royalty and tax increases and retroactive tax claims, exchange controls, limits on allowable levels of production, currency fluctuations, labor disputes, sudden changes in laws, government control over domestic oil and gas pricing and other uncertainties arising out of foreign government sovereignty over the Company's international operations. With respect to taxation matters, the governments, and other regulatory agencies in the foreign jurisdictions in which Bengal operates and intends to operate in the future may make sudden changes in laws relating to taxation or impose higher tax rates, which may affect Bengal's operations in a significant manner. These governments and agencies may not allow certain deductions in calculating tax payable that Bengal believes should be deductible under applicable laws or may have differing views as to values of transferred properties. This can result in significantly higher tax payable than initially anticipated by Bengal. In many circumstances, readjustments to tax payable imposed by these governments and agencies may occur years after the initial tax amounts were paid by Bengal, which can result in the Company having to pay significant penalties and fines. Furthermore, in the event of a dispute arising from international operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada.

### **Prices, Markets and Marketing of Crude Oil and Natural Gas**

Oil and natural gas are commodities that have prices determined based on world demand, supply and other factors, all of which are beyond the control of Bengal. World prices for oil and natural gas have fluctuated in recent years due to geo-political matters. Any material decline in prices could result in a reduction of net production revenue. Certain wells or other projects may become uneconomic because of a decline in world oil prices and natural gas prices, leading to a reduction in the volume of Bengal's oil and gas Reserves. Bengal might also elect not to produce from certain wells at lower prices. All these factors could result in a material decrease in Bengal's future net production revenue, causing a reduction in its oil and gas acquisition and development activities. In addition to establishing markets for its oil and natural gas, Bengal must also successfully market its oil and natural gas to prospective buyers. The marketability and price of oil and natural gas, which may be acquired or discovered by Bengal, may be affected by numerous factors beyond its control.

The ability of Bengal to market its natural gas may depend upon its ability to acquire space on pipelines, which deliver natural gas to commercial markets. Bengal may also likely be affected by deliverability uncertainties related to the proximity of its Reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

### **Substantial Capital Requirements and Liquidity**

Bengal's cash flow from its Reserves may not be sufficient to always fund its ongoing activities, as was the case in the current fiscal quarter. From time to time, Bengal may require additional financing to carry out its oil and gas acquisition, exploration, and development activities. Failure to obtain such financing on a timely basis could cause Bengal to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Bengal's revenues from its Reserves decrease because of lower oil and natural gas prices or otherwise, it may affect Bengal's ability to expend the necessary capital to replace its Reserves or to maintain its production. If Bengal's funds from (used in) operations are not sufficient to satisfy its capital expenditure requirements or interest requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Bengal.

Bengal monitors and updates its cash projection models on a regular basis, which assists in the timing decision of capital expenditures. Farm outs of projects may be arranged if capital constraints are an issue or if the risk profile dictates that Bengal wishes to hold a lesser working interest position. Equity, if available and if on favorable terms, may be utilized to help fund Bengal's capital program.

### **Health, Safety and Environment**

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, state, and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned, and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of

applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge.

### **Changing Regulation**

Emission, carbon and other regulations impacting climate and climate related matter are dynamic and constantly evolving. With respect to environmental, social and governance (“ESG”) and climate reporting, the International Sustainability Standards Board has issued an IFRS Sustainability Disclosure Standard with the aim to develop sustainability disclosure standards that are globally consistent, comparable, and reliable. In addition, the Canadian Securities Administrators have issued a proposed National Instrument 51-107 Disclosure of Climate related Matters. The cost to comply with these standards, and others that may be developed or evolve over time, has not yet been quantified by the Company.

### **Insurance**

Bengal’s involvement in the exploration for and development of oil and gas properties may result in the Company becoming subject to liability for pollution, blow-outs, property damage, personal injury, or other hazards. Although Bengal has insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, Bengal may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Bengal. The occurrence of a significant event that Bengal is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Bengal’s financial position, results of operations or prospects.

### **Competition**

Bengal actively competes for reserve acquisitions, exploration leases, licenses and concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial and personnel Resources than Bengal. Bengal’s competitors include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators. Bengal’s ability to successfully bid on and acquire additional property rights, to discover Reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

### **Significant counterparty**

Bengal’s operating activities are conducted primarily with a single counterparty responsible for the operations of the Cuisinier field as well as the transportation, marketing and sales of all the Company’s production and is responsible for the schedule of oil liftings and ultimate payment for oil sales. This counterparty invoices Bengal for all transportation costs and collects JV payments associated with development and operations as well as collects for and distributes proceeds of oil sales to Bengal. The material working capital assets and liabilities held by a single counterparty without a right to offset may create a liquidity risk.

## **ADDITIONAL INFORMATION**

Additional information relating to Bengal is filed on SEDAR and can be viewed at [www.sedarplus.ca](http://www.sedarplus.ca). Information can also be obtained by contacting the Company at Bengal Energy Ltd., Suite 640, 630 – 6th Avenue SW., Calgary, Alberta T2P 0S8, by email to [info@bengalenergy.ca](mailto:info@bengalenergy.ca) or by accessing Bengal’s website at [www.bengalenergy.ca](http://www.bengalenergy.ca).

## **FORWARD-LOOKING STATEMENTS**

Certain statements contained within this MD&A constitute “forward-looking statements” or “forward-looking information” (“forward-looking statements”) as defined by applicable securities laws. These statements relate to future events or Bengal’s future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek,” “anticipate,” “budget,” “plan,” “continue,” “estimate,” “expect,” “forecast,” “may,” “will,” “project,” “predict,” “potential,” “targeting,” “intend,” “could,” “might,” “should,” “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other

factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Bengal believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. 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.

In particular, this MD&A contains forward-looking statements pertaining to the following:

- Oil and natural gas production levels;
- The size of the oil and natural gas Reserves;
- The adverse impacts on the Company as a result of the current challenging economic climate;
- Bengal's drilling program and waterflood program;
- The belief that the Cooper Basin assets offer attractive upside potential for oil and gas;
- The planned 100% free carried well on the ATP 934 Barrolka and the expected assistance in de-risking the natural gas potential of the permit;
- The timing of equipping for production cased wells;
- The continued engagement in early-stage discussions with third parties with respect to potential business combination transactions;
- The continued integration of subsurface data from production licenses in the selection of exploration and appraisal drilling locations;
- Projections of market prices and costs including, but not limited to, expected royalty rates;
- Expectations regarding the ability to raise capital and to continually add to Reserves through acquisitions and development;
- That required payments will be met out of operational cash flows and alternative forms of financing;
- Bengal's ability to finance its potential working capital deficiency and to source funds for the same;
- Treatment under governmental regulatory regimes and tax laws;
- Capital expenditures program and estimates of costs; and
- That funding of working capital requirements, commitments and other planned expenses will be by cash on hand, cash flows, farm-outs, joint ventures, share issuances or other alternative forms of capital raising and funds will be sufficient to meet requirements including but not limited to Bengal's exploration activities through fiscal 2025 and its capital program.
- The likelihood of recoveries from joint venture audits with respect to expenditure and production allocation

The forward-looking statements contained herein are subject to numerous known and unknown risks and uncertainties that may cause Bengal's actual results, performance or achievement to differ materially from those expectations expressed in, or implied by, these forward-looking statements, including but not limited to, risks associated with:

- Fluctuations in commodity prices, foreign exchange or interest rates;
- Changes in the demand for or supply of Bengal's products;
- Liabilities inherent in oil and natural gas operations;
- 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;
- Uncertainties associated with estimating oil and natural gas Reserves;
- Increased competition for, among other things: capital, acquisitions of Reserves, undeveloped lands and skilled personnel;
- The availability of qualified operating or management personnel; and lack of in Country management associated with operating and exploration assets;
- Incorrect assessment of the value of acquisitions;
- Inability to meet commitments due to inability to raise funds or complete farm-outs;
- Geological, technical, drilling and processing problems;
- Bengal's development and exploration opportunities;
- The results of exploration and development drilling and related activities;
- Changes in laws and regulations including, without limitation, the adoption of new environmental, royalty and tax laws and regulations and changes in how they are interpreted and enforced;
- The ability to access sufficient capital from internal and external sources; and
- Counter-party credit risk, stock market volatility and market valuation of Bengal's stock.
- Weather

Statements relating to “Reserves” or “Resources” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, which the Resources and Reserves described, can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The forward-looking statements contained in this document speak only as of the date of this document and Bengal does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws. Additional information on these and other factors that could affect Bengal’s operations and financial results are included in reports on file with Canadian securities authorities and may be accessed through the SEDAR website at [www.sedarplus.ca](http://www.sedarplus.ca) and at Bengal’s website [www.bengalenergy.ca](http://www.bengalenergy.ca).

### **Disclosure of Oil and Gas Information**

Unless otherwise specified, Reserves data set forth in this document is based upon an independent reserve assessment and evaluation prepared by GLJ with an effective date of March 31, 2025 (the “GLJ Report”). The GLJ Report has been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook (the “COGE Handbook”) and the reserve definitions contained in National Instrument 51-101 – Standards of Disclosure For Oil and Gas Activities.

This document discloses unbooked drilling locations. Unbooked locations are internal estimates based on the Company’s prospective acreage and an assumption as to the number of wells that can be drilled per area based on industry practice and internal review. Unbooked locations do not have attributed Reserves or Resources. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas Reserves, Resources or production. The drilling locations on which the Company actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors.

### **Test Rates**

References in this MD&A to production test rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or ultimate recovery. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. Accordingly, the Company cautions that the test results are historical and not indicative of expected production.

### **Internal Estimates**

Certain information contained herein is based on estimated values the Company believes to be reasonable and are subject to the same limitations as discussed under “Forward-looking Statements” above.

## **CORPORATE INFORMATION**

### **AUDITORS**

MNP LLP • Calgary, Canada

### **LEGAL COUNSEL**

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

### **BANKERS**

Royal Bank of Canada • Calgary, Canada  
Commonwealth Bank • 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**