



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

**Nine months ended December 31, 2025  
and December 31, 2024**

## **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	December 31, 2025	March 31, 2025
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 395	\$ 708
Accounts receivable		1,833	1,682
Prepays and deposits		800	980
		<b>3,028</b>	<b>3,370</b>
Exploration and evaluation assets	5	9,837	9,708
Property, plant and equipment	6	17,194	17,557
		<b>\$ 30,059</b>	<b>\$ 30,635</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities</b>			
Trade and other payables		\$ 1,914	\$ 1,794
		<b>1,914</b>	<b>1,794</b>
Note payable	7	1,700	1,700
Decommissioning and restoration liability	8	3,268	3,105
		<b>6,882</b>	<b>6,599</b>
<b>Shareholders' Equity</b>			
Share capital	9	118,796	118,796
Contributed surplus		8,169	8,154
Accumulated other comprehensive loss		(2,417)	(2,894)
Deficit		(101,371)	(100,020)
		<b>23,177</b>	<b>24,036</b>
		<b>\$ 30,059</b>	<b>\$ 30,635</b>

Going concern (Note 2)

Commitments (Note 17)

See accompanying notes to the interim condensed consolidated financial statements.

# BENGAL ENERGY LTD.

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE INCOME

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

	Note	Three months ended December 31,		Nine months ended December 31,	
		2025	2024	2025	2024
Revenue					
Oil sales	11	\$ 1,012	1,431	3,001	4,585
Royalties		(129)	(86)	(289)	(349)
		883	1,345	2,712	4,236
Expenses					
General and administrative		380	644	1,364	2,163
Operating		584	639	1,664	2,018
Depletion and depreciation	6	253	275	750	934
Share-based compensation	10	5	7	14	9
Foreign exchange (gain) loss		-	(48)	36	21
		(339)	(172)	(1,116)	(909)
Other expense					
Loss on disposition of equipment	6	-	73	-	73
Finance expense	13	76	125	235	206
		76	198	235	279
Net loss		(415)	(370)	(1,351)	(1,188)
Exchange differences on translation of foreign operations		(812)	(1,351)	(243)	326
Net comprehensive income		\$ (1,227)	\$ (1,721)	\$ (1,594)	\$ (862)
Net loss per share					
- basic and diluted	12	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding (000s)					
- basic	12	485,304	485,304	485,304	485,304
- diluted	12	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)

	Nine months ended	
	December 31, 2025	December 31, 2024
<b>Share capital</b>		
Balance at beginning of period	\$ 118,796	\$ 118,796
Balance at end of period	<b>118,796</b>	118,796
<b>Contributed surplus</b>		
Balance at beginning of period	8,154	8,136
Share-based compensation – expensed	14	9
Share-based compensation – capitalized	1	1
Balance at end of period	<b>8,169</b>	8,146
<b>Accumulated other comprehensive loss</b>		
Balance at beginning of period	(2,894)	(3,387)
Exchange differences translation of foreign operations	477	323
Balance at end of period	<b>(2,417)</b>	(3,064)
<b>Deficit</b>		
Balance at beginning of period	(100,020)	(95,839)
Net loss	(1,351)	(1,188)
Balance at end of period	<b>(101,371)</b>	(97,027)
<b>Total Shareholders' Equity</b>	<b>\$ 23,177</b>	\$ 26,851

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		Nine months ended	
	December 31,		December 31,	
	2025	2024	2025	2024
<b>Operating activities:</b>				
Net loss	\$ (415)	\$ (370)	\$ (1,351)	\$ (1,188)
Add (deduct) non-cash items:				
Depletion and depreciation	6	253	750	934
Accretion on decommissioning liability	8	31	93	113
Share-based compensation	10	5	14	9
Loss on disposition of equipment	6	-	-	73
Unrealized foreign exchange (gain)		(3)	(14)	(9)
Funds (used in) from operations	(129)	23	(508)	(68)
Change in non-cash working capital	(286)	275	180	(54)
Net cash (used in) operating activities	(415)	298	(328)	(122)
<b>Investing activities:</b>				
Exploration and evaluation recoveries (adds)	5	-	60	(14)
Property, plant and equipment expenditures	6	(2)	(58)	(56)
Proceeds on disposition of equipment	6	-	-	193
Change in non-cash working capital		-	-	(1,703)
Net cash from (used in) investing activities	(2)	(1,805)	2	(1,580)
<b>Financing activities:</b>				
Change in joint venture payment balance	7	-	-	1,712
Change in non-cash working capital		-	(2)	-
Net cash (used in) from financing activities	-	1,712	(2)	1,712
Net change in cash and cash equivalents	(417)	205	(328)	10
Cash and cash equivalents, beginning of period	814	522	708	692
Impact of foreign exchange	(2)	(25)	15	-
Cash and cash equivalents, end of period	\$ 395	\$ 702	\$ 395	\$ 702

See accompanying notes to interim condensed consolidated financial statements.

# BENGAL ENERGY LTD.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended December 31, 2025 and 2024

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

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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 consolidated financial statements (the “financial statements”) of the Company as at December 31, 2025 and 2024 and for the three and nine months ended December 31, 2025, and 2024 are comprised of the Company and its wholly owned subsidiaries including Bengal Energy Australia (Pty) Ltd. (“Bengal Pty”) and Bengal Energy International Inc., which were 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 Standards (“IAS”) 34, “Interim Financing Reporting”. These interim financial statements do not include all 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 February 12, 2026.

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, 2025. 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 December 31, 2025, the Company had a positive working capital of \$1.1 million (March 31, 2025 positive working capital of \$1.6 million), which the Company defines as total current assets less total current liabilities, generated a net loss of \$1.4 million (nine months ended December 31, 2024 – net loss of \$1.2 million), and had net cash used in operating activities of \$0.6 million (nine months ended December 31, 2024 - net cash used in operating activities of \$0.1 million).

The Company’s working capital includes both accrued accounts receivable and accounts payable. 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 17) 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 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

# BENGAL ENERGY LTD.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Nine months ended December 31, 2025 and 2024

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

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.

#### Evolving Demand for Energy - Changing Regulation

Emission, carbon, and other regulations impacting climate and climate-related matters 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 and financial reporting impact of compliance with these standards, and others that may be developed or evolve over time, has not yet been quantified by the Company.

### 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, 2025.

### 4. MANAGEMENT JUDGMENTS AND ESTIMATES

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

The economic climate may have significant adverse impacts on the Company, including material declines in revenue and cash flow, 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.

### 5. EXPLORATION AND EVALUATION ASSETS (“E&E ASSETS”)

(\$000s)	
<b>Balance, March 31, 2024</b>	<b>\$ 11,993</b>
Additions	14
Capitalized share-based compensation	4
E&E impairment	(2,530)
Exchange adjustments	227
<b>Balance, March 31, 2025</b>	<b>\$ 9,708</b>
Additions (recoveries)	(60)
Exchange adjustments	189
<b>Balance, December 31, 2025</b>	<b>\$ 9,837</b>

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

(\$000s)	
ATP 732 / PCA 332 - Tookoonooka	\$ 7,706
ATP 934 – Barrolka	2,106
Other	25
<b>Balance, December 31, 2025</b>	<b>\$ 9,837</b>

# BENGAL ENERGY LTD.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended December 31, 2025 and 2024

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

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. There were no impairment indicators as at December 31, 2025.

The Company has commenced a process to apply for an extension and revised work program at ATP 934 in exchange for relinquishment of non-prospective acreage.

### 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, 2024</b>	\$ 53,186	\$ 347	\$ 143	\$ 53,676
Additions	56	-	-	56
Disposal of equipment	(265)	-	-	(265)
Research and development credit	(133)	-	-	(133)
Change in decommissioning and restoration liability	(583)	-	-	(583)
Exchange adjustments	1,369	-	-	1,369
<b>Balance, March 31, 2025</b>	\$ 53,630	\$ 347	\$ 143	\$ 54,120
Additions	58	-	-	58
Exchange adjustments	1,434	-	-	1,434
<b>Balance, December 31, 2025</b>	\$ 55,122	\$ 347	\$ 143	\$ 55,612

(\$000s)	Petroleum and natural gas properties	Other assets	Right-of-use assets	Total
<i>Accumulated depletion, depreciation and impairment</i>				
<b>Balance, March 31, 2024</b>	\$ 34,207	\$ 335	\$ 143	\$ 34,685
Depletion and depreciation	879	2	-	881
Exchange adjustments	997	-	-	997
<b>Balance, March 31, 2025</b>	\$ 36,083	\$ 337	\$ 143	\$ 36,563
Depletion and depreciation	749	1	-	750
Exchange adjustments	1,105	-	-	1,105
<b>Balance, December 31, 2025</b>	\$ 37,937	\$ 338	\$ 143	\$ 38,418
<i>Net book value:</i>				
Balance, March 31, 2025	\$ 17,547	\$ 10	\$ -	\$ 17,557
<b>Balance, December 31, 2025</b>	\$ 17,185	\$ 9	\$ -	\$ 17,194

As at December 31, 2025 and March 31, 2025, there were no external or internal indicators of impairment. Due to minimal capital activity in the current fiscal year, the Company did not capitalize general and administration expense. The calculation of depletion for the nine months ended December 31, 2025 included \$19.6 million for estimated future development costs associated with proved and probable reserves in Australia (March 31, 2025 - \$19.6 million).

During the year ended March 31, 2025, the Company disposed of some of its surplus equipment with book cost of \$0.3 million for net proceeds of \$0.2 million. In March 2025, the Company received a tax credit of \$0.2 million on its research and development costs incurred in the fiscal year March 31, 2025. The credit is recorded as a credit to property, plant and equipment in the period the Company received the assessment from the Australian Tax Office.

# BENGAL ENERGY LTD.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Nine months ended December 31, 2025 and 2024

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

#### 7. NOTE PAYABLE

On March 3, 2025, the Company entered into an agreement to refinance its Joint Venture payment plan having an outstanding principal balance owing of Australian \$1.8 million as of February 28, 2025. The loan agreement (“Texada Loan” or “Note Payable”) is with Texada Capital Management (“Texada”), a company controlled by a controlling shareholder and director of Bengal.

The Note Payable is in the principal amount of \$1.7 million, which was used to repay the Joint Venture payment plan in full. The Note Payable has a maturity date of April 1, 2027, with interest only payable until the date of maturity. Interest is payable at 10% per annum, payable quarterly. The Note Payable is secured by a security interest over all of Bengal’s present and later acquired assets other than shares in its wholly owned subsidiary, Bengal Pty. The Company may at any time repay the principal sum owing under the Note Payable, in whole or in part, without any notice or penalty, provided that any such prepayment shall be in a minimum amount of \$0.2 million. Texada has the right to accelerate repayment of the Note Payable if, at any time, the principal holder, ceases to own, in the aggregate, less than 51% of the issued and outstanding voting shares in the capital of the Company. There are no financial covenants associated with this Note Payable.

During the quarter interest of \$43 thousand was accrued and due to Texada.

#### 8. DECOMMISSIONING AND RESTORATION LIABILITY

Changes to decommissioning and restoration obligations were as follows:

(\$000s)	
<b>Balance, March 31, 2024</b>	<b>\$ 3,477</b>
Change in estimate	(583)
Accretion	152
Exchange adjustments	59
<b>Balance, March 31, 2025</b>	<b>\$ 3,105</b>
Accretion	93
Exchange adjustments	70
<b>Balance, December 31, 2025</b>	<b>\$ 3,268</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 December 31, 2025 is \$3.4 million (March 31, 2025 – \$3.3 million) which will be incurred between 2028 and 2065. At December 31, 2025, an inflation factor of 3.0% (March 31, 2025 – 3.0%) and a risk-free discount rate of 4.0% (March 31, 2025 – 4.0%) have been applied to the decommissioning and restoration liability.

#### 9. 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
Balance, March 31, 2025	485,304,215	118,796
<b>Balance, December 31, 2025</b>	<b>485,304,215</b>	<b>\$ 118,796</b>

# BENGAL ENERGY LTD.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Nine months ended December 31, 2025 and 2024

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

#### 10. 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 number 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
<b>Balance, March 31, 2024</b>	<b>10,620,000</b>	<b>0.08</b>
Granted	1,500,000	0.03
Forfeited	(2,550,000)	0.08
<b>Balance, March 31, 2025</b>	<b>9,570,000</b>	<b>0.07</b>
<b>Balance, December 31, 2025</b>	<b>9,570,000</b>	<b>0.07</b>
<b>Exercisable, December 31, 2025</b>	<b>8,820,000</b>	<b>0.08</b>

Exercise Price	Number Outstanding	Remaining Life (years)	Number Exercisable
\$0.00 to \$0.03	1,500,000	3.7	750,000
\$0.08	8,070,000	0.2	8,070,000
	<b>9,570,000</b>	<b>0.8</b>	<b>8,820,000</b>

There were no options granted during for the nine months ended December 31, 2025. The options with exercise price of \$0.08 which were issued on March 22, 2021 will expiry on March 21, 2026.

#### 11. REVENUE

Revenue from the sales of crude oil is based on the consideration specified in the Liquids Aggregation Agreement ("LAA") 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 marketers obtain legal control of the crude at a receipt facility. At the time of physical lifting at port, title is transferred and the transaction price is based on the average benchmark pricing and adjusted for quality and other factors specified in the Liquids Aggregation Agreement. The transaction price as prescribed in the LAA is a variable price based on various benchmark commodity pricing that may be adjusted for quality, location, delivery method or other factors depending on the agreed-upon terms of the contract. The Company uses US dollar Brent pricing as the closest publicly available source against which to benchmark its crude pricing. 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.

# BENGAL ENERGY LTD.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Nine months ended December 31, 2025 and 2024

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

#### 12. PER SHARE AMOUNTS

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

(\$000s except per share amounts)	Three months ended		Nine months ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Net loss for the period	\$ (415)	\$ (370)	\$ (1,351)	\$ (1,188)
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
Basic and diluted (loss) income per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

For the nine months ended December 31, 2025, 9,570,000 (nine months ended December 31, 2024 - 10,320,000) of the options were considered anti-dilutive.

#### 13. FINANCE EXPENSE

(\$000s)	Three months ended		Nine months ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Interest expense	45	86	142	93
Accretion on decommissioning liability	31	39	93	113
	76	125	235	206

#### 14. 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 December 31, 2025, Bengal's receivables consisted of \$1.8 million (March 31, 2025 - \$1.7 million) from joint venture partners.

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 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 December 31, 2025 (March 31, 2025 - \$nil) and did not provide for any doubtful accounts, nor was it required to write-off any receivables during the nine months ended December 31, 2025.

# BENGAL ENERGY LTD.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Nine months ended December 31, 2025 and 2024

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

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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 Note Payable maturing in April 2027, totalling \$3.6 million at December 31, 2025 (March 31, 2025 - \$3.5 million). All of the trade and other payables are due in less than one year.

At December 31, 2025, the Company had positive working capital of \$1.1 million (March 31, 2025 - \$1.6 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's working capital includes both accrued accounts receivable and accounts payable. 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 is managing its liquidity risk through its principal and interest payments. There is a risk if the Company's cash flows are insufficient to meet these obligations.

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 17) 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 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.

# BENGAL ENERGY LTD.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Nine months ended December 31, 2025 and 2024

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

The table below shows the Company's exposure in Canadian dollar equivalent to foreign currencies for its financial instruments at December 31, 2025:

(in \$000s CAD)	CAD\$	AUS\$	US\$	Total
Cash and cash equivalents	\$ 76	\$ 47	\$ 272	\$ 395
Accounts receivable	5	-	1,828	1,833
Trade and other payables	(368)	(1,546)	-	(1,914)
Note Payable <sup>(1)</sup>	(1,700)	-	-	(1,700)
	<b>\$ (1,987)</b>	<b>\$ (1,499)</b>	<b>\$ 2,100</b>	<b>\$ (1,386)</b>

<sup>(1)</sup>The current portion the Note Payable (\$14,000) is classified as Trade and other payables.

Exchange rates as at	December 31, 2025	March 31, 2025
Number of CAD for 1 AUD	0.92	0.89
Number of CAD for 1 USD	1.37	1.44

### 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 December 31, 2025 and March 31, 2025.

### Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk on its cash and cash equivalents at December 31, 2025. Cash and cash equivalents is restricted to investments with a maturity of three months or less.

## 15. 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 adjusts 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.

# BENGAL ENERGY LTD.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended December 31, 2025 and 2024

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

### 16. SUPPLEMENTAL CASH FLOW INFORMATION

Change in non-cash working capital items (\$000s)	Three months ended December 31,		Nine months ended December 31,	
	2025	2024	2025	2024
Accounts receivable	\$ (146)	\$ 72	\$ (151)	\$ (108)
Prepays and deposits	68	85	180	162
Trade and other payables	(204)	(1,751)	120	(1,771)
Effect of change in foreign currency rates	(4)	(34)	29	(40)
	\$ (286)	\$ (1,628)	\$ 178	\$ (1,757)
<b>Attributed to:</b>				
Operating	\$ (286)	\$ 275	\$ 180	\$ (54)
Investing	-	(1,903)	-	(1,703)
Financing	-	-	(2)	-
	\$ (286)	\$ (1,628)	\$ 178	\$ (1,757)

The following represents the cash interest paid in each period:

Cash interest paid and received (\$000s)	Three months ended December 31,		Nine months ended December 31,	
	2025	2024	2025	2024
Cash interest paid	45	66	142	72

### 17. COMMITMENTS

At December 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	27	23	4	-	-
Note Payable <sup>(1)</sup>	1,700	-	1,700	-	-
Decommissioning and restoration	3,268	-	726	-	2,542
	4,995	23	2,430	-	2,542

<sup>(1)</sup>The current portion of the Note Payable \$14 thousand is classified as Trade and other payables.

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 two wells. The Company has commenced a process to apply for an extension and revised work program at ATP 934 in exchange for relinquishment of non-prospective acreage.

# BENGAL ENERGY LTD.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Nine months ended December 31, 2025 and 2024

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

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 December 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 & two wells	February 2027	8.2
ATP 732 – Onshore Australia	Geological and up to three wells	February 2029	7.0
PCA 332 – Onshore Australia	Initial Production testing	February 2029	4.0
PCA 332 – Onshore Australia	Extended Production testing	February 2035	2.4

(1) Translated at December 31, 2025 at an exchange rate of AUD\$1.00 = CAD\$0.9158.

### 18. RELATED PARTY TRANSACTIONS

On March 3, 2025, the Company entered into an agreement to refinance its Joint Venture payment plan. The \$1.7 million Note Payable is with Texada, a company controlled by a controlling shareholder and director of Bengal. During the quarter, interest of \$43 thousand was accrued and paid to Texada. At December 31, 2025, accounts payable balance included an accrued interest payable of \$14 thousand (March 31, 2025, \$15 thousand). Interest is paid quarterly, cash interest of \$127 thousand was paid in the nine months ended December 31, 2025.

### 19. SEGMENTED INFORMATION

As at December 31, 2025, 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)			
Three months ended December 31, 2025	Australia	Corporate	Total
Revenue	1,012	-	1,012
Interest expense	2	43	45
Depletion and depreciation	253	-	253
Net (loss)	(218)	(197)	(415)
Exploration and evaluation expenditures	-	-	-
Property, plant and equipment expenditures	2	-	2

(\$000s)			
Three months ended December 31, 2024	Australia	Corporate	Total
Revenue	1,431	-	1,431
Interest expense	86	-	86
Depletion and depreciation	274	1	275
Net (loss)	(127)	(243)	(370)
Exploration and evaluation expenditures	-	-	-
Property, plant and equipment expenditures	12	-	12
Disposal of equipment	(110)	-	(110)

# BENGAL ENERGY LTD.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Nine months ended December 31, 2025 and 2024

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

<b>(\$000s)</b>			
<b>Nine months ended December 31, 2025</b>	<b>Australia</b>	<b>Corporate</b>	<b>Total</b>
Revenue	3,001	-	3,001
Interest expense	15	127	142
Depletion and depreciation	749	1	750
Net (loss)	(705)	(646)	(1,351)
Exploration and evaluation (recoveries)	(60)	-	(60)
Property, plant and equipment expenditures	58	-	58
<b>(\$000s)</b>			
<b>Nine months ended December 31, 2024</b>	<b>Australia</b>	<b>Corporate</b>	<b>Total</b>
Revenue	4,585	-	4,585
Interest expense	93	-	93
Depletion and depreciation	932	2	934
Net (loss)	(551)	(637)	(1,188)
Exploration and evaluation expenditures	14	-	14
Property, plant and equipment expenditures	56	-	56
Disposal of equipment	(193)	-	(193)
<b>(\$000s)</b>			
<b>As at December 31, 2025</b>	<b>Australia</b>	<b>Corporate</b>	<b>Total</b>
Exploration and evaluation assets	9,837	-	9,837
Property, plant and equipment	17,185	9	17,194
Total assets	29,933	126	30,059
Total liabilities	6,526	356	6,882
<b>As at March 31, 2025</b>	<b>Australia</b>	<b>Corporate</b>	<b>Total</b>
Exploration and evaluation assets	9,708	-	9,708
Property, plant and equipment	17,547	10	17,557
Total assets	30,513	122	30,635
Total liabilities	6,164	435	6,599

## **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**